ORIGINAL

NEW APPLICATION



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OF COUNSEL TO MUNGER CHADWICK

(520) 398-0411 Fax: (520) 398-0412 Email: Tubaclawyer@aol.com ADMITTED TO PRACTICE IN: ARIZONA, COLORADO, MONTANA, NEVADA, TEXAS, WYOMING, DISTRICT OF COLOMBIA

August 4, 2014

Docket Control Arizona Corporation Commission 1200 West Washington Phoenix, Arizona 85007 Arizona Corporation Commission
DOCKETED
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DECKETED BY

WS-04245A-14-0295

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Re:

Red Rock Utilities, L.L.C. Docket No. WS-04245A-14-

Application for Increase in Water and

Wastewater Rates and Charges

To Whom It May Concern:

Enclosed for filing are an original and thirteen copies of (i) an Application by Red Rock Utilities, L.L.C. for an increase in its rates and charges for water and wastewater service, (ii) supporting Schedules relating to the aforesaid Application, and (iii) the prepared Direct Testimony of Mark Weinberg and Thomas J. Bourassa in connection with the aforesaid Application and supporting Schedules.

By its Decision No. 73343, the Commission specified the date of August 3, 2014 as the due date for filing the aforesaid Application. Inasmuch as August 3, 2014 falls on a Sunday, the enclosed Application and supporting Schedules and related prepared testimony are being filed on the following business day, namely, August 4, 2014.

Thank you in advance for your assistance, and let me know if you have any questions regarding the enclosed documents.

Sincerely,

Lawrence V. Robertson, Jr.

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Lawrence V. Robertson, Jr. P. O. Box 1448 2247 E. Frontage Road, Suite 1 Tubac, Arizona 85646 Phone: (520) 398-0411 Fax: (520) 398-0412 Email: Tubaclawyer@aol.com 5

Attorney for Red Rock Utilities, LLC

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF RED ROCK UTILITIES, LLC, AN ARIZONA LIMITED LIABILITY COMPANY, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS WATER AND WASTEWATER RATES AND CHARGES FOR UTILITY SERVICE BASED THEREON.

DOCKET NO: WS-04245A-14-

APPLICATION

Red Rock Utilities, LLC, an Arizona limited liability company ("Red Rock" or the "Company"), hereby applies for an order providing for the following: (i) establishing the fair value of its plant and property used for the provision of public water and wastewater utility service;(ii) based on such fair value finding, approving permanent rates and charges for water and wastewater utility service designed to produce a fair and reasonable return thereon; and (iii) authorizing Red Rock to defer for future ratemaking treatment and recognition certain heretofore recorded depreciation expenses for its water and wastewater divisions. In support of its request, Red Rock states as follows:

Red Rock is a public service corporation engaged in providing water and 1. wastewater utility service in portions of Pinal County, Arizona, pursuant to a certificate of convenience and necessity ("CC&N") granted by the Arizona Corporation Commission

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("Commission"). During the Test Year, Red Rock served approximately 590 customer connections.

- Red Rock's business office is located at 2200 E. River Road, Suite 115, 2. Tucson, Arizona 85718, and its telephone number is (520) 577-0200. The Company's primary management contact is Mark Weinberg. Mr. Weinberg is employed by Red Rock as its General Manager; and, Mr. Weinberg is also a Vice President with Diamond Ventures, Inc., which is the Managing Member of Red Rock.
- 3. The persons responsible for Red Rock in connection with this rate Application are Mark Weinberg, Mr. Thomas Bourassa (the Company's rate case consultant), and undersigned counsel. Mr. Weinberg's mailing address is 2200 E. River Road, Suite 115, Tucson, Arizona 85718, his telephone number is (520) 577-0200, his telecopier number (520)299-5602, and his email address is is mweinberg@diamondven.com. Mr. Bourassa's mailing address is 139 W. Wood Drive, Phoenix, Arizona 85029, his telephone number is (602) 246-7150, his telecopier number is (602) 246-1040, and his email address is tib114@cox.net. Undersigned counsel's mailing address is P. O. Box 1448, Tubac, Arizona 85646, his telephone number is (520) 398-0411, his telecopier number is (520) 398-0412, and his email address is tubaclawyer@aol.com. All discovery, data requests and other requests for information concerning this Application should be directed by email to Mr. Weinberg, Mr. Bourassa, and undersigned counsel.
- The Company's present rates and charges for water utility service were 4. approved by the Commission in Decision No. 67409 (November 2, 2004) in connection with the granting of its Pinal County CC&Ns. There have been no other changes to the Company's rates since the current rates went into effect on or after November 2, 2004.

¹ The Commission in its Decision No. 70030 also has granted a CC&N to Red Rock to provide public utility water service to an unincorporated portion of Pima County for the Verano Master-Planned Community. Some of the infrastructure for that system has been installed, but the Company is not serving any customers at this time.

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- 5. Red Rock's revenues from its utility operations are presently inadequate to provide the Company a fair rate of return on the fair value of its utility plant and property devoted to public service. Capital investments have been made and operating expenses have increased since its rates were established in 2004. As a result, the revenues produced by the current rates and charges for service are inadequate to meet operating expenses and Therefore, the Company requests that certain provide a reasonable rate of return. adjustments to its rates and charges for water and wastewater utility service be approved by the Commission so that the Company may recover its operating expenses and be given a reasonable opportunity to earn a just and reasonable rate of return on the fair value of its property. In that regard, the Company proposes to use its original cost rate base as its fair value rate base in this proceeding to minimize disputes and reduce rate case expense.
- 6. Filed concurrently herewith are the schedules required pursuant to A.A.C. R14-2-103 for rate applications by Class "C" utilities. The test year utilized by the Company in connection with the preparation of such schedules is the 12-month period that ended December 31, 2013. The Company requests that the Commission utilize such test year in connection with this Application, with appropriate adjustments to obtain a normal or more realistic relationship between revenues, expenses and rate base during the period in which the rates established in this proceeding are in effect.
- 7. During the test year, the Company's adjusted gross revenues were \$533,036 from water utility service, and \$477,549 from wastewater utility service. The adjusted operating income for water was \$116,695, leading to an operating income deficiency of \$14,239. The adjusted operating income for wastewater was a negative \$262,075, leading to an operating income deficiency of \$351,024. The adjusted fair value rate base was \$1,378,255 for the water system, and \$936,312 for the wastewater system. Thus, the rate of return on the Company's water operations during the test year was 8.47 percent, and a negative 27.99 percent for the wastewater operations.
 - The Company submits that these rates of return are inadequate to allow it to 8.

obtain debt, pay a reasonable distribution to its members, maintain a sound credit rating, and/or enable Red Rock to attract additional capital on reasonable and acceptable terms in order to continue the investment in utility plant necessary to adequately serve customers.

- 9. The Company is requesting an increase in water utility revenues equal to \$14,480, or an increase in revenues of 2.72 percent. Its requested increase in wastewater revenue is \$356,955, or 74.75 percent. The adjustments to the Company's rates and charges that are proposed herein, when fully implemented, will produce a rate of return on the fair value rate base equal to 9.5 percent from water operations, and 9.5 percent from wastewater operations. In that regard, as discussed in the prepared Direct Testimony of Messrs. Weinberg and Bourassa, solely for purposes of this rate case, the Company is proposing certain ratemaking treatment(s) to mitigate what otherwise would be the required (and higher levels of) rate relief.
- 10. In addition, the Company is requesting an accounting order authorizing it to defer for future ratemaking treatment and recognition certain heretofore recorded depreciation expense for its water and wastewater divisions. The circumstances surrounding and the reasons why such an accounting order is appropriate are discussed in the prepared Direct Testimony of Mr. Bourassa.
- 11. Attached hereto as **Attachment 1** are water plant descriptions and a completed water use data sheet for the 2013 calendar year.
- 12. Filed in support of this Application is the Direct Testimony of Mark Weinberg, providing an overview of Red Rock; and the Direct Testimony of Thomas J. Bourassa, which provides an overview of the Company's rate filing, discussion of the revenue requirement, including the "A" through "F" schedules, and the "G" schedules, development of the rate base and income statement adjustments, cost of equity capital and related issues, proposed rates, including the "H" schedules, and discussion of the effects of the proposed rates on customers' bills.

WHEREFORE, Red Rock requests the following relief:

1	A. That the Commission, upon proper notice and at the earliest possible time,			
2	conduct a hearing in accordance with A.R.S. § 40-251 and determine the fair value of Red			
3	Rock's plant and property devoted to providing water and wastewater utility service;			
4	B. Based upon such determination, that the Commission approve permanent			
5	adjustments to the rates and charges for water and wastewater utility service provided by			
6	Red Rock, as proposed herein, or approve such other rates and charges as will produce a			
7	just and reasonable rate of return on the fair value of the Company's utility plant and			
8	property; and			
9	C. That the Commission authorize such other and further relief as may be			
10	appropriate to ensure that Red Rock has an opportunity to earn a just and reasonable return			
11	on the fair value of its water and wastewater utility plant and property and as may			
12	otherwise be required under Arizona law.			
13				
14	RESPECTFULLY SUBMITTED this 4 th day of August, 2014.			
15				
16	By Laurence V. Robotran, J.			
17	Lawrence V. Robertson, Jr. P. O. Box 1448			
18	2247 E, Frontage Road, Suite 1			
19	Tubac, Arizona 85646 Attorney for Red Rock Utilities, LLC			
20	ORIGINAL and thirteen (13) copies of the			
21	foregoing Application, together with the related Direct Testimony and Schedules, were delivered			
22	this 4 th day of August, 2014, to:			
23	Docket Control			
24	Arizona Corporation Commission 1200 W. Washington St.			
25	Phoenix, AZ 85007			
26				
07				

LAWRENCE V. ROBERTSON, JR. ATTORNEY AT LAW P. O. Box 1448 Tubsc. Arizona 85646

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF RED ROCK UTILITIES, LLC, AN ARIZONA LIMITED LIABILITY COMPANY, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANTS AND PROPERTY AND FOR INCREASES IN ITS WATER AND WASTEWATER RATES AND CHARGES FOR UTILITY SERVICE BASED THEREON.

DOCKET NO: WS-04245A-14-

APPLICATION

DIRECT TESTIMONY OF

MARK WEINBERG

August 4, 2014

LAWRENCE V. ROBERTSON, JR. ATTORNEY AT LAW P. O. Box 1448 Tubac, Arizona 85646

1		PREPARED DIRECT TESTIMONY
2		OF
3		MARK WEINBERG
4		
5	Q.1	Please state your name and business address.
6	A.1	My name is Mark Weinberg. My business address is 2200 East River Road, Suite 115,
7		Tucson, Arizona 85718.
8		
9	Q.2	What is the purpose of your testimony at this time?
10	A.2	I am presenting Direct Testimony on behalf of Red Rock Utilities, L.L.C. ("Red Rock") in
11		support of its contemporaneously filed Application for an increase in the rates and charges
12		for water and wastewater service provided by Red Rock in its Pinal County, Arizona,
13		service area. In that regard, the term "water" as I will be using it includes sales of effluent
14		pursuant to rates previously authorized by the Commission.
15		
16	Q.3	What is your relationships with Red Rock?
17	A.3	I am its General Manager, and I have held that position since the inception of the company
18		in 2003.
19		
20	Q.4	Do you have any experience in the water and/or wastewater utility industry prior to
21		your association with Red Rock?
22	A.4	Yes. From 1982 to 1987, I was employed by Foothills Water Company in connection with
23		the management and operation of its water and wastewater systems. From 1987 to 1995, I
24		was employed by Canada Hills Water Company in connection with the management and
25		operation of its water and wastewater systems in the northwest area of metropolitan
26		Tucson, when they were acquired from Foothills Water Company. I concluded my
27		relationship with that company when its water system assets were acquired by the Town of
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Oro Valley, Arizona in 1995.

Thereafter, I commenced employment with Diamond Ventures, Inc. in Tucson as a Vice President in 1995; and, my responsibilities included managerial oversight of Spanish Trail Water Company and Saguaro Water Company, each of which was owned in whole or in part by Mr. Donald Diamond. In that regard, my managerial oversight role with respect to Saguaro Water Company ended in 2011, when that company was acquired by an unrelated third party, but it continues with respect to Spanish Trail Water Company.

Will anyone in addition to you be presenting Direct Testimony on behalf of Red Rock 0.5 in connection with its Application for an increase in its rates and charges for water and wastewater service?

A.5 Yes, Mr. Thomas J. Bourassa, a utility rate analyst and consultant, a recognized expert in this area who has previously testified on many occasions before the Commission. Mr. Bourassa has prepared the various schedules which are being submitted in support of Red Rock's Application; and, he will also be submitting Direct Testimony discussing those schedules and Red Rock's rate increase request.

What circumstances occasion Red Rock's rate increase Application at this time? Q.6

Red Rock's Pinal County water and wastewater certificates of convenience and necessity A.6 ("CC&N") were granted to the company by the Commission on November 2, 2004 in Decision No. 67409. The Eighth Ordering Paragraph of that decision directed Red Rock to

> ". . . file a rate application for its water and wastewater systems no later than three months following the fifth anniversary of this Decision including the information required in Finding of Fact No. 32." [Decision No. 67409 at page 13, lines 12-14]

Because development of the Red Rock Village master-planned community occurred at a slower pace in subsequent years than was anticipated at the time Decision No. 67409 was issued, Red Rock requested two (2) separate extensions of the due date for filing the rate application ordered by Decision No. 67409. Each of those requests was granted by the

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Commission in Decision Nos. 71499 and 73343, respectively; and, the due date for filing the rate application was extended to August 3, 2012 and August 3, 2014, respectively. Red Rock's filing of the required rate application at this time satisfies the aforesaid requirement from Decision No. 67409.

 $\mathbf{Q}.7$ What circumstances caused the pace of development of Red Rock Village to be slower than anticipated in late 2004, when Decision No. 67409 was issued?

There have been two (2) major factors. The first was a change in the ownership of the developer of the Red Rock Village master-planned community. The second was the 2008 financial crisis and subsequent recession, the effects of which substantially and adversely impacted the homebuilding and development industries in Southern Arizona, as well as the entire State of Arizona and the nation as a whole.

With respect to the first major factor, at the time Decision No. 67409 was issued, it was anticipated that Red Rock Village would be developed over a ten (10)-year period, and that Red Rock's owner, Diamond Ventures, Inc., would be the master developer. In that regard, it was contemplated that the master developer would prepare block plats for six (6) development phases, and the block-platted property would then be sold to individual developers and homebuilders who would develop individual subdivisions within Red Rock Village upon receipt of approval from Pinal County. However, in 2005, the Red Rock Village master-planned community project was sold to Pulte Homes, a national home builder company with an established and well-regarded record for developing masterplanned communities throughout the United States. That change in project ownership, in turn, affected the development timeline for Red Rock Village, as Pulte Homes formulated its own development plans. Illustrative of this is the fact that Red Rock did not commence water and wastewater service to its first customer until August 3, 2007, or approximately two and three-quarters (2 3/4) years after Decision No. 67409 was issued.

As previously indicated, the second major factor affecting the pace of development

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of Red Rock Village was the 2008 financial crisis and the subsequent prolonged economic recession. In that regard, the Commission is fully aware of this circumstance, as evidenced by its granting of numerous requests in subsequent years for extensions of compliance filing deadlines for affected public service corporations, including the aforementioned extensions granted to Red Rock in Decision Nos. 71499 and 73343.

- 0.8 What was the relevance of the slower than anticipated pace of development of Red Rock Village upon the decision of Red Rock to request two (2) extensions of the due date for filing the rate application ordered by Decision No. 67409?
 - Succinctly stated, because of the relatively small customer base which existed within the Red Rock Village community vis-à-vis the value of the plant in service that was necessary to provide safe and reliable service, the company was concerned that a rate increase providing a fair and reasonable return on its investment potentially could result in "rate shock" to its customers in Red Rock Village. In that regard, the following excerpt from Decision No. 73343 accurately reflects the thinking of the company in August of 2012:

"The Company reports that in March 2010, when Decision No. 71499 was issued, Red Rock had 527 customers, and that currently it has 575 customers. The Company states that its internal review indicates that if a rate case were filed by the current August 3, 2012, deadline, both the water and wastewater divisions would warrant significant rate increases. The Company asserts that the effects of the 2008 financial crisis and recession continue to burden the homebuilding industry in southern Arizona. As a result, the owners of Red Rock have concluded that filing for a rate increase at this time would not be in the best interests of current ratepayers, the near-term future of the Red Rock Village community as it tries to attract additional residents, or the long-term interests of the water company. The Red Rock owners state that they are committed to providing the resources necessary to ensure that Red Rock will continue to provide adequate, reliable and good quality service." [Decision No. 73343 at page 2, lines 3-13]

0.9 Has the customer base at Red Rock Village since increased to the point that the company's concern regarding the potential for significant rate increases no longer

exists?

- A.9 No, that potential continues to exist, and the company believes that significant increases in both its water and wastewater rates would be warranted at this time, <u>if</u> rates were to be set using the customary rate of return ratemaking methodology, and <u>without</u> the use of any mitigating ratemaking methodologies or assumptions for the limited purpose of this case.
- Q.10 Why, then, didn't the company file another request for a further extension of the due date for filing the rate application ordered by Decision No. 67409?
- A.10 The company did consider such a course of action earlier this year. However, we ultimately concluded that a further postponement of bringing our rates more into alignment with the costs of operation, maintenance and ownership of our water and wastewater systems assets would not be in the best long-term interests of either Red Rock or the customers. Moreover, we concluded that by using some of the ratemaking methodologies we have adopted solely for purposes of this case, we could moderate the effect of a required rate increase on Red Rock's customers. Accordingly, the company filed its rate application on August 3, 2014 pursuant to the due date extension approved in Decision No. 73343.
- Q.11 Are the ratemaking methodologies and assumptions adopted <u>solely</u> for purposes of this rate application, and to which you refer, discussed in Mr. Bourassa's Direct Testimony?
- A.11 Yes, at some length, and they include (i) a pro forma customer addition projection, (ii) a lower cost of equity request than that to which we believe we are entitled, (iii) no requested ratemaking recognition of income taxes, and (iv) a proposed 5-year phase-in of the wastewater rate increase, with no carrying costs. Mr. Bourassa is our expert on these subjects, and I will defer to him for a fuller explanation and to answer any questions regarding the same.

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1 2	Q.12	One (1) brief question respect to the pro forma customer additions over a projected
3		five (5) year period, did you discuss that subject with Pulte Homes; and, based upon
4		that discussion and other information available to you, did you conclude that that
5		projection was reasonable as of this point in time?
6	A.12	Yes, as to both parts of the question. In addition, I would note that to the extent the
7		projected customer additions might be on the "high" side, the ratepayers benefit because
8		the company's requested rate increases are lower than otherwise would be the case.
9	Q.13	To the best of your knowledge, has Red Rock complied with all of the Ordering
10		Paragraphs set forth in Decision No. 67409?
11	A.13	Yes, with the filing of its rate application on August 3, 2014, I believe that the company
12		has fully complied.
13		
14	Q.14	To the best of your knowledge, is Red Rock in compliance with the requirements of all
15		regulatory entities applicable to the company, including requirements of the Arizona
16		Department of Environmental Quality, Arizona Department of Water Resources and
17		the Commission?
18	A.14	Yes, to the best of my knowledge.
19		
20	Q.15	Do you believe that the increase in rates and charges for water and wastewater service
21		requested by the company in its August 3, 2014 rate application are "just and
22		reasonable" for purposes of this case?
23	A.15	Yes, for the limited purpose of this case.
24	0.14	Does that complete your Direct Testimony in support of Red Rock's August 3, 2014
25	Q.16	
26	A.16	Yes, it does.
27	A.10	Y es, 11 does. c:\users\angela\documents\larry\diamond ventures\red rock utilities\2014 rate case\rm. weinberg dir test red3.doc
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4	BEFORE THE ARIZONA CORPORATION COMMISSION
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6	IN THE MATTER OF THE APPLICATION DOCKET NO: WS-04245A-14-
7	ARIZONA LIMITED LIABILITY COMPANY, FOR A DETERMINATION APPLICATION
8	OF THE FAIR VALUE OF ITS UTILITY PLANTS AND PROPERTY AND FOR
9	INCREASES IN ITS WATER AND WASTEWATER RATES AND CHARGES
10	FOR UTILITY SERVICE BASED THEREON.
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14	DIRECT TESTIMONY OF
_ [
15	THOMAS J. BOURASSA
	(RATE BASE, INCOME STATEMENT, RATE DESIGN AND COST OF
15	
15 16	(RATE BASE, INCOME STATEMENT, RATE DESIGN AND COST OF CAPITAL)
15 16 17	(RATE BASE, INCOME STATEMENT, RATE DESIGN AND COST OF
15 16 17 18 19	(RATE BASE, INCOME STATEMENT, RATE DESIGN AND COST OF CAPITAL)
15 16 17 18 19	(RATE BASE, INCOME STATEMENT, RATE DESIGN AND COST OF CAPITAL)
15 16 17 18 19 20	(RATE BASE, INCOME STATEMENT, RATE DESIGN AND COST OF CAPITAL)
15 16 17 18 19 20 21	(RATE BASE, INCOME STATEMENT, RATE DESIGN AND COST OF CAPITAL)
15 16 17 18 19 20 21 22	(RATE BASE, INCOME STATEMENT, RATE DESIGN AND COST OF CAPITAL)
15 16 17 18 19 20 21 22 23	(RATE BASE, INCOME STATEMENT, RATE DESIGN AND COST OF CAPITAL)

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I. <u>INTRODUCTION AND QUALIFICATIONS</u>

- **Q1.** PLEASE STATE YOUR NAME AND ADDRESS.
- A1. My name is Thomas J. Bourassa. My business address is 139 W. Wood Drive, Phoenix, Arizona 85029.

Q2 WHAT IS YOUR PROFESSION AND BACKGROUND?

- A2. I am a Certified Public Accountant and am self-employed, providing consulting services to utility companies as well as general accounting services. I have a B.S. in Chemistry and Accounting from Northern Arizona University (1980) and an M.B.A. with an emphasis in Finance from the University of Phoenix (1991).
- Q3. COULD YOU BRIEFLY SUMMARIZE YOUR PRIOR WORK AND REGULATORY EXPERIENCE?
- A3. Yes. Prior to becoming a private consultant, I was employed by High-Tech Institute, Inc., and served as controller and chief financial officer. Prior to working for High-Tech Institute, I worked as a division controller for the Apollo Group, Inc. Before joining the Apollo Group, I was employed at Kozoman & Kermode, CPAs. In that position, I prepared compilations and other write-up work for water and wastewater utilities, as well as tax returns.

In my private practice, I have prepared and/or assisted in the preparation of numerous water and wastewater utility rate applications before the Arizona Corporation Commission ("Commission"). A copy of my work experience is attached as Exhibit TJB-RB-DT-1.

Q4. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

A4. I am testifying in this proceeding on behalf of the Red Rock Utilities, LLC, ("RRU" or the "Company"). RRU is seeking increases in its rates and charges for water and wastewater utility service in its certificated service area, which area is

located in an unincorporated area in southern Pinal County, Arizona.

II. OVERVIEW OF THE COMPANY'S REQUEST FOR RATE RELIEF

Q5. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

A5. I will testify in support of the Company's proposed adjustments to its rates and charges for water and wastewater utility service. I am sponsoring the direct schedules, which are filed concurrently herewith in support of the Company's application. I was responsible for the preparation of these schedules based on my investigation and review of RRU's relevant books and records.

For the convenience of the Commission and the parties, my direct testimony is divided into two (2) broad areas, each with the relevant schedules attached. Initially, I address the rate bases, income statements (revenue and operating expenses), required increases in revenue, and rate designs and proposed rates and charges for service for the Company's water and wastewater divisions. In that regard, Schedules A through C, E-F, and H, labeled separately as "Water Division" and "Wastewater Division", are attached to my direct testimony. The Company has not prepared a cost of service study for either division because the Company is not proposing a change in the basic rate designs and Company did not feel it necessary to prepare a cost of service study.

Thereafter, I discuss the subject of cost of capital, and Schedule D, which is also attached to this testimony. In that regard, RRU is requesting a return on common equity of 9.5 percent. As shown on Schedule D-1, the Company's consolidated capital structure consists of 100 percent equity and 0 percent debt. Based on the foregoing, the weighted cost of capital is 9.5 percent.

Q7. PLEASE SUMMARIZE THE COMPANY'S APPLICATION.

A7. The Company is seeking rate increases for both its water and wastewater divisions.

The test year used by RRU is the 12-month period ending December 31, 2013. The Company is requesting a 9.5 percent return on its fair value rate base ("FVRB"). The Company has also proposed certain pro forma adjustments to take into account known and measurable changes to rate base, expenses and revenues for each division. These pro forma adjustments are consistent with normal ratemaking and are contemplated by the Commission's rules and regulations governing rate applications. See R14-2-103. These adjustments are necessary to obtain a normal or realistic relationship between revenues, expenses and rate base on a going-forward basis.

The Company's fair value rate base for the Water Division is \$1,378,255. The increase in revenues to provide for recovery of operating expenses and a 9.5 percent return on rate base is approximately \$14,480, an increase of approximately 2.72 percent over the adjusted and annualized test year revenues.

The Company's fair value rate base for the Wastewater Division is \$936,312. The increase in revenues to provide for recovery of operating expenses and a 9.5 percent return on rate base is approximately \$356,955, an increase of approximately 74.75 percent over the adjusted and annualized test year revenues.

Q8. WHY IS THE COMPANY FILING FOR RATE INCREASES AT THIS TIME?

A8. The circumstances surrounding RRU's filing of its Application at this time are fully discussed in the contemporaneously filed prepared Direct Testimony of RRU's General Manager, Mark Weinberg.

1 III. RRU'S WATER DIVISION 2 Summary of A, E and F Schedules. MR. BOURASSA, LET'S TURN TO THE COMPANY'S WATER 3 Q9. 4 DIVISION SCHEDULES. PLEASE DESCRIBE THE SCHEDULES 5 LABELED AS A, E, AND F. 6 A9. The A-1 Schedule is a summary of the Water Division rate base, operating income, current operating margin, required operating margin, operating income deficiency, 7 8 and the increase in gross revenue. A 9.5 percent return on FVRB is requested. 9 The increase in the revenue requirement is \$14,480. Revenues at present and 10 proposed and customer classifications are also shown on this schedule. The A-2 Schedule is a summary of results of operations for the test year, 11 12 prior years, and a projected year at present rates and proposed rates. 13 Schedule A-3 is not required for Class C utilities and is not included. 14 Schedule A-4 contains the plant construction, and plant-in-service for the 15 test year and prior years. The projected plant additions are also shown on this 16 schedule. 17 Schedule A-5 is not required for Class C utilities and is not included. 18 The E Schedules are based on the Company's actual operating results, as 19 reported by the Company in annual reports filed with the Commission. The E-1 20 Schedule contains the comparative balance sheet data for the years 2011, 2012, 21 and 2013 ended on December 31. 22 Schedule E-2, page 1, contains the income statement for the years 2011, 23 2012, and 2013 ended on December 31. Schedule E-3 is not required for Class C utilities and is not included. 24

Schedule E-4 is not required for Class C utilities and is not included.

Schedule E-5 contains the Company's plant-in-service at the end of the test

25

year, and one year prior to the end of the test year.

Schedule E-7 contains operating statistics for the years ended 2011, 2012, and 2013 ended on December 31.

Schedule E-8 contains the taxes charged to operations.

The accountant's notes to the financial statements and the financial assumptions used in preparing the rate filing schedules are shown on Schedules E-9 and F-4, respectively, in accordance with the Commission's standard filing requirements. The Company does not prepare audited financial statements.

Schedule F-1 contains the results of operations at the present rates (actual and adjusted), and at proposed rates.

Schedule F-2 is not required for Class C utilities and is not included.

Schedule F-3 shows the Company's projected construction requirements for 2014.

Schedule F-4 contains the assumptions used in developing the adjustments and projections contained in the rate filing.

B. Rate Base (B Schedules).

Q10. WOULD YOU EXPLAIN THE RATE BASE SCHEDULES, WHICH ARE LABELED AS THE B SCHEDULES?

- A10. Yes. I will start with Schedule B-5, which is the working capital allowance. I used the "formula method" of computing the working capital allowance to reduce costs. However, the Company is not requesting a working capital allowance for either division.
- Q11. WHY DIDN'T THE COMPANY PREPARE A LEAD-LAG STUDY AND USE THE RESULTS OF THAT STUDY TO COMPUTE CASH WORKING CAPITAL?

All. Because the costs to prepare a lead-lag study outweigh the benefits of such a study in this instance.

Q12. THANK YOU. PLEASE CONTINUE.

A12. The Company did not file Schedules B-3 and B-4. To limit issues in dispute and reduce rate case expense, RRU is requesting that its original cost rate base ("OCRB") be used as its FVRB for its Water Division.

Q13. HAVE YOU PREPARED SCHEDULES SHOWING ADJUSTMENTS TO THE WATER DIVISION'S ORIGINAL COST RATE BASE?

A13. Yes. Schedule B-2 shows adjustments to the Water Division's OCRB cost rate base proposed by the Company. Schedule B-2, pages 2 through 6, provide the supporting information. These adjustments are, in summary:

B-2 adjustment number 1, as shown on Schedule B-2, page 2, adjusts plant-in-service. There are three plant-in-service ("PIS") adjustments included in Adjustment 1. These are shown on Schedule B-2, page 3, and are labeled as adjustments "A", "B", and "C".

Adjustment A of B-2 adjustment number 1 adjusts PIS to remove plant which currently is not used and useful (Verano division franchise costs).

Adjustment B of B-2 adjustment number 1 adjusts PIS to reflect the Company's estimate of current "excess" capacity. The Company's current "excess" capacity was determined by estimating the use and useful capacity of its water treatment plant and storage plant at the end of a projected 5-year period and assuming growth during this period would be 400 additional customers. Estimates of used capacity at the end of the projected 5 year period were prepared by Westland Resources, Inc.

Adjustment C of B-2 adjustment number 1 reflects the adjustments to PIS

that are necessary to reconcile the recorded plant balances to the reconstructed plant balances.

014. PLEASE CONTINUE.

Al4. Adjustment 2 shown on Schedule B-2, page 2, adjusts accumulated depreciation ("A/D"). The details of the accumulated depreciation adjustment are shown at Schedule B-2, page 4. There are two plant-in-service adjustments included in Adjustment 2. These are shown on Schedule B-2, page 4, and are labeled as adjustments "A" and "B".

Adjustment A of B-2 adjustment number 2 removes accumulated depreciation related to the plant amounts removed as current "excess" capacity in Adjustment B of B-2 adjustment number 1.

Adjustment B of B-2 adjustment number 2 reflects the adjustments to A/D that are necessary to reconcile the recorded depreciation to the reconstructed balance.

Q15. DO THE PLANT IN SERVICE AND ACCUMULATED DEPRECIATION BALANCES SHOWN ON B-2 REFLECT THE LAST COMMISSION RATE ORDER?

A15. Yes. This is the first rate case for RRU since it was granted its Certificate of Convenience and Necessity ("CC&N") in 2004.¹ The reconstruction of the A/D balance through the end of 2013 computes the A/D balance based on the recorded activity (additions and retirements) in the intervening years since the Company began operations. A half-year convention was used along with the authorized depreciation rates from the CC&N decision. Since the Company incorrectly used a 5 percent composite rate for depreciation and the authorized depreciation rates are

¹ ACC Decision 67409, November 2, 2004.

generally lower, there is a significant adjustment to the A/D balance.

Q16. PLEASE CONTINUE.

A16. Adjustment 3 shown on Schedule B-2, page 5, adjusts the accumulated amortization balance of contributions-in-aid of construction ("CIAC") to the recomputed amount reflecting the annual composite depreciation rate for plant-in-service.

Finally, Adjustment 4 shown on B-2, page 2, removes advances-in-aid of construction ("AIAC") that are funding plant held for future use and thus not used and useful (Verano division PIS).

Q17. HOW WAS THE PROPOSED "FAIR VALUE" RATE BASE SHOWN ON A-1 DETERMINED?

A17. As previously stated, the FVRB shown on Schedule A-1 is based on OCRB, with no adjustment for the current values of the Company's plant and property.

A. INCOME STATEMENT (C SCHEDULES)

- Q18. PLEASE EXPLAIN THE ADJUSTMENTS YOU ARE PROPOSING TO THE WATER DIVISION INCOME STATEMENT AS SHOWN ON SCHEDULES C-1 AND C-2.
- A18. The following is a summary of adjustments shown on Schedule C-1:

Adjustment 1 annualizes depreciation expense. The proposed depreciation rate for each component of utility plant is shown on Schedule C-2, page 2. The depreciation rates approved in the Water Division's 2004 CC&N case were account specific. The Company proposes to continue to use the currently authorized account specific rates on a going forward basis.

Q19. THE WATER DIVISION'S ADJUSTED DEPRECIATION EXPENSE IS CONSIDERABLY LOWER THAN THE TEST YEAR. PLEASE EXPLAIN.

A19.	There are two reasons. First, as mentioned earlier the Company used a 5 percent
	composite rate for depreciation. The authorized depreciation rates are generally
	lower resulting in a lower level of depreciation expense. Second, the proposed
	depreciation expense does not include depreciation on currently "excess" capacity
	PIS.

- Q20. HOW MUCH LOWER IS THE DEPRECIATION EXPENSE FROM NOT RECOGNIZING CURRENT "EXCESS" CAPACITY?
- A20. About \$36,000 annually.
- Q21. IS THE COMPANY REQUESTING AN ACCOUNTING ORDER TO DEFER THIS EXPENSE FOR CONSIDERATION IN A FUTURE RATE CASE?
- A21. Yes.
- Q22. WOULD THIS HELP TO KEEP THE COMPANY FINANCIALLY STABLE?
- A22. Yes. Since the depreciation expense from current "excess" capacity would not be recovered in revenues, deferral will help to minimize annual loses, and reduce erosion of the company's equity balance, thus leading to greater financial stability.

Adjustment 2 increases the property taxes based on proposed revenues. The details of the computation are shown on Schedule C-2, page 3.

- Q23. HOW DID YOU COMPUTE THE PROPERTY TAXES AT THE CURRENT AND PROPOSED RATES?
- A23. I employed a modified version of the Arizona Department of Revenue ("ADOR" or "the Department") Centrally Valued Properties method for determining property taxes. The ADOR method uses twice the average of the prior three years of historical revenue, plus an addition for CWIP and a deduction for the book value

of transportation equipment, in the determination of the full cash value. The modified method determines full cash value by using twice the adjusted test year revenues rather than the prior three years of historical revenue. For determining the property tax expense at proposed revenues, I used two times the 3 year average, consisting of two years of adjusted test year revenues plus one year of proposed revenues. The change to property taxes at proposed revenues is reflected in the gross revenue conversion factor shown on the A-1 Schedule. For both of the computations of property tax expense I used an assessed value equal to 18.0 percent of full cash value (the current assessment rate), which was then multiplied by the property tax rate to determine the property tax expense.

Q24. IS THIS CONSISTENT WITH PRIOR COMMISSION DECISIONS?

A24. Yes. See e.g., Chaparral City Water Company, Decision No. 68176 at 13, Rio Rico Utilities, Decision No. 67279 at 8; Arizona Water Company, Decision No. 64282 at 12-13; Bella Vista Water Company, Decision No. 65350 at 16; Arizona-American Water Company, Decision No. 67093 at 9-10; Black Mountain Sewer Company, Decision 69164 at 10-11.

Q25. IS THIS SYNCHRONIZATION OF PROPERTY TAX EXPENSE WITH REVENUES PROPER RATE MAKING?

A25. Yes. Like income taxes, property taxes must be adjusted to ensure that the new rates are sufficient to produce the authorized revenue requirement. For this reason, the Commission has repeatedly approved the use of proposed revenues to determine an appropriate level of property tax expense to be recovered through rates.

Q26. THE ASSESSMENT RATIO FOR 2013 WAS 19.5 PERCENT. WHY ARE YOU USING 18.0 PERCENT?

A26. The assessment ratio after 2015 will be 18.0 percent.² The selection of the 2015 rate is to reflect rates which will be in effect when the new rates in the instant case are in effect.

Q27. DO YOU HAVE ANY CONCERNS ABOUT USING AN ASSESSMENT RATIO THAT FAR OUT INTO THE FUTURE?

A27. Yes. While the assessment ratio is scheduled to be reduced, the property tax rate may go up. Since we are using a 2014 property tax rate without adjustment, the Company conceivably might under recover property taxes in the future.

Q28. THANK YOU. PLEASE CONTINUE WITH YOUR DESCRIPTION OF THE INCOME STATEMENT ADJUSTMENTS.

A28. Adjustment 3 shows the rate case expense estimated by the Company. The Company currently estimates rate case expense for the Water Division of \$25,000. The Company proposes that rate case expense be recovered over five years because it believes a five-year cycle for future rate cases is reasonable given (i) this utility's present circumstances and (ii) my professional experience.

Q30. PLEASE EXPLAIN WHY YOU REFER TO THIS AMOUNT AS AN "ESTIMATE"?

A30. Because I can't predict the future, I can only make some "educated" guesses based on my experience. The specifics of who may intervene, what unique issues may come into dispute, what kind of procedural problems we will encounter, etc. I cannot predict with certainty. I know rate cases are lengthy and expensive, but I still have to start with an estimate. If things turn out more complicated than anticipated, the Company will modify its request to account for that increased expense. Conversely, if the case proceeds smoothly and timely, and rate case

² Arizona Revised States 42-15001.

expense is lower than expected, we would make an appropriate adjustment downward.

Q31. PLEASE CONTINUE WITH YOUR DISCUSSION OF THE INCOME STATEMENT ADJUSTMENT?

A31. Adjustment 4 increases revenues for 400 additional customers that are projected over the next five years. This adjustment also reflects the expected increase in purchased power expense based on the additional gallons sold for 400 additional customers.

Q32. IS INCOPORATING ADDITIONAL REVNUES FOR 400 CUSTOMERS EXPECTED OVER THE NEXT 5 YEARS A TYPICAL ADJUSTMENT?

A32. No. This is not a known and measurable adjustment to the test year and would not be appropriate under normal circumstances. However, based upon the fact that the Company's service territory failed to develop as quickly as expected, due to (i) the change in the developer of Red Rock Village and (ii) the 2008 financial crisis and subsequent recession, as discussed by Mr. Weinberg, the Company recognizes that it's plant investment may be disproportionate to the current customer levels. It is therefore proposing this adjustment to help to mitigate the rate impact on current ratepayers as well as help to keep the utility rates in its service territory at levels which may help to encourage future growth in the area. In that regard, the Company's proposed adjustment is not intended to set any ratemaking precedent for this or any other Company regulated by the Commission.

Adjustment 5 reduces revenues for accrued revenues recorded during the test year. The revenue accruals are eliminated from the test year since the asadjusted revenue reflected in the actual billings for the test year and used in the determination of the revenue deficiency includes all water priced and billed. If

these amounts are not removed, revenues would be overstated in the revenuedeficiency calculation.

Q33. IS THE COMPANY REQUESTING RECOVERY OF INCOME TAXES?

A33. No. The Company is attempting to minimize the rate impacts in the instant case and is voluntarily electing not to recover income taxes. The Company's election to forego income tax recovery also is not intended to set any precedent for this or any other Company regulated by the Commission.

B. Cost of Capital (D Schedules).

Q34. PLEASE SUMMARIZE THE COMPANY'S PROPOSED COST OF CAPITAL.

A34. RRU is requesting a return on common equity of 9.5 percent. RRU's capital structure consists of 100 percent equity and 0 percent debt. Thus, the weighted average cost of capital ("WACC") is 9.5 percent based upon the aforementioned capital structure and cost of equity.

Q35. WHAT IS THE BASIS FOR RRU'S PROPOSED COST OF EQUITY OF 9.5 PERCENT?

A35. The Company did not prepare a cost of capital analysis in order to help minimize rate case expense. That said, the Company's cost of equity recommendation of 9.5 percent is based upon cost of equity adopted in two recent cases (Chaparral City Water Company, Decision 74568, June 20, 2014 (9.6%) and Lago Del Oro Water Company, Decision 74564, June 20, 2014 (9.7%). The 9.5 percent recommendation is to further mitigate the rate relief in the instant case. It is lower than the cost of equity adopted in those cases I just mentioned, and is conservative considering RRU's relatively small size as well as the risks it faces with the proposal to recognize for ratemaking purposes revenues from expected customer

1	growth over the next 5 years.					
2	growing the money of the second					
3		C. Rate Design (H Schedules).				
4	O36	WHAT ARE THE COMPANY'S PRESENT	RATES	FOR	WATER	
5	220.	SERVICE?				
6	A36.	The Company's present rates are:				
7	1150.	MONTHLY SERVICE CHARGES				
8		5/8" x 3/4" meters	\$	25.00		
9		3/4" Meters	\$	37.50		
10		1" Meters	\$			
11		1 1/2" Meters		125.00		
12		2" Meters		200.00		
13		3" Meters		375.00		
14		4" Meters		625.00		
15	 }	6" Meters		,250.00		
16		O WICKELS	ΨΙ	,		
17		Gallons in minimum (all classes)		0		
18		Oanons in minimum (an classes)		v		
19		COMMODITY PATES (nor 1 000 callons)				
		COMMODITY RATES (per 1,000 gallons)				
20		All Classes (expent Imigation)				
20 21		All Classes (except Irrigation)				
		5/8x3/4 Inch		\$2 <i>4</i> 0		
21		5/8x3/4 Inch 1 Gallons to 5,000 Gallons		\$2.40 \$3.15		
21 22		5/8x3/4 Inch 1 Gallons to 5,000 Gallons 5,001 to 10,000 Gallons		\$3.15		
21 22 23		5/8x3/4 Inch 1 Gallons to 5,000 Gallons				

1		1 Gallons to 5,000 Gallons	\$3.1	5
2		Over 5,000 Gallons	\$3.9	0
3		Irrigation		
4		All meter sizes		
5		1 Gallons to 20,000 gallons	\$3.1	5
6		Over 20,000 gallons	\$3.9	0
7		Standpipe/Bulk		
8		All Gallons	\$3.9	0
9	Q33.	WHAT ARE THE COMPANY'S PROPOSED	RATES FO	R WATER
10		SERVICE?		
11	A33.	The Company's proposed rates are:		
12		MONTHLY SERVICE CHARGES		
13		5/8" x 3/4" meters	\$ 25.0	00
14		3/4" Meters	\$ 37.5	50
15	ı	1" Meters	\$ 62.5	50
16		1 1/2" Meters	\$ 125.0	00
17		2" Meters	\$ 200.0	00
18		3" Meters	\$ 375.0	00
19		4" Meters	\$ 625.0)0
20		6" Meters	\$1,250.0)0
21				
22		Gallons in minimum (all classes)	0	
23				
24		COMMODITY RATES (per 1,000 gallons)		
25		All Classes (except Irrigation)		
26				

- 1							
1		5/8x3/4 Inch					
2		1 Gallons to 5,000 Gallons \$2.50					
3		5,001 to 10,000 Gallons \$3.40					
4		Over 10,000 Gallons \$4.25					
5		3/4 Inch and Larger					
6	:	1 Gallons to 5,000 Gallons \$3.40					
7		Over 5,000 Gallons \$4.25					
8		<u>Irrigation</u>					
9	ļ	All meter sizes					
10		1 Gallons to 20,000 gallons \$3.40					
11		Over 20,000 gallons \$4.25					
12		Standpipe/Bulk					
13		All Gallons \$4.25					
14							
15	Q37.	WHAT METER SIZE ARE THE MAJORITY OF CUSTOMERS ON AN					
16		WHAT WAS THE AVERAGE MONTHLY BILL DURING THE TES					
17		YEAR?					
18	A37.	The largest customer class is the 5/8x3/4 inch residential class making up over 9					
19		percent of customers. As shown on Schedule H-2, page 1, the average month					
20	:	bill under present rates for a 5/8x3/4 inch residential customer using an average					
21		5,155 gallons is \$37.49.					
22	Q38.	WHAT WILL BE THE AVERAGE 5/8X3/4 INCH RESIDENTIA					
23		CUSTOMER AVERAGE MONTHLY BILL UNDER THE NEW RATES?					
24	A38.	As shown on Schedule H-2, page 1, the average monthly bill under proposed rat					
25		for a 5/8x3/4 inch residential customer using an average 5,155 gallons is \$38.03 -					
26							

requested. The increase in the revenue requirement is \$356,955. Revenues at present and proposed and customer classifications are also shown on this schedule.

The A-2 Schedule is a summary of results of operations for the test year, prior years, and a projected year at present rates and proposed rates.

Schedule A-3 is not required for Class C utilities and is not included.

Schedule A-4 contains the plant construction, and plant in service for the test year and prior years. The projected plant additions are also shown on this schedule.

Schedule A-5 is not required for Class C utilities and is not included.

The E Schedules are based on the Company's actual operating results, as reported by the Company in annual reports filed with the Commission. The E-1 Schedule contains the comparative balance sheet data the years 2011, 2012, and 2013 ending on December 31.

Schedule E-2, page 1, contains the income statement for the years 2011, 2012, and 2013 ending on December 31.

Schedule E-3 is not required for Class C utilities and is not included.

Schedule E-4 is not required for Class C utilities and is not included.

Schedule E-5 contains the Company's plant in service at the end of the test year, and one year prior to the end of the test year.

Schedule E-7 contains operating statistics for the years ended 2011, 2012, and 2013 ending on December 31.

Schedule E-8 contains the taxes charged to operations.

The accountant's notes to the financial statements and the financial assumptions used in preparing the rate filing schedules are shown on Schedules E-9 and F-4, respectively, in accordance with the Commission's standard filing

requirements. The Company does not prepare audited financial statements.

Schedule F-1 contains the results of operations at the present rates (actual and adjusted), and at proposed rates.

Schedule F-2 is not required for Class C utilities and is not included.

Schedule F-3 shows the Company's projected construction requirements for 2014.

Schedule F-4 contains the assumptions used in developing the adjustments and projections contained in the rate filing.

B. RATE BASE (B SCHEDULES)

Q43. WOULD YOU EXPLAIN THE RATE BASE SCHEDULES, WHICH ARE LABELED AS THE B SCHEDULES?

A43. Yes. I will start with Schedule B-5, which is the working capital allowance. My rationale for not doing a lead/lag study, and the reasons for my recommendation of zero working capital are explained above (on pages 5-6) with respect to the Water Division, and are applicable to the Wastewater Division as well.

Q44. HAVE YOU PREPARED SCHEDULES SHOWING ADJUSTMENTS TO THE WASTEWATER DIVISION'S ORIGINAL COST RATE BASE?

A44. Yes. Schedule B-2 shows adjustments to the Wastewater Division's OCRB cost rate base proposed by the Company. Schedule B-2, pages 2 through 6, provide the supporting information. These adjustments are, in summary:

B-2 adjustment number 1, as shown on Schedule B-2, page 2, adjusts plant-in-service. There are two plant-in-service ("PIS") adjustments included in Adjustment 1. These are shown on Schedule B-2, page 3, and are labeled as adjustments "A", "B", and "C".

Adjustment A of B-2 adjustment number 1 adjusts PIS to reflect the

Company's estimate of current "excess" capacity. The Company's current "excess" capacity was determined by estimating the use and useful capacity of its wastewater treatment plant at the end of a projected 5-year period and assuming growth during this period would be 400 additional customers. Estimates of used capacity at the end of the projected 5 year period were prepared by Westland Resources, Inc.

Adjustment B of B-2 adjustment number 1 reflects the adjustments to PIS that are necessary to reconcile the recorded plant balances to the reconstructed plant balances.

Q45. PLEASE CONTINUE.

A45. Adjustment 2 shown on Schedule B-2, page 2, adjusts accumulated depreciation ("A/D"). The details of the accumulated depreciation adjustment are shown at Schedule B-2, page 4. There are two plant-in-service adjustments included in Adjustment 2. These are shown on Schedule B-2, page 4, and are labeled as adjustments "A" and "B".

Adjustment A of B-2 adjustment number 2 removes accumulated depreciation related to the plant amounts removed for current "excess" capacity in Adjustment A of B-2 adjustment number 1.

Adjustment B of B-2 adjustment number 2 reflects the adjustments to A/D that are necessary to reconcile the recorded depreciation to the reconstructed balance.

Q46. DO THE PLANT IN SERVICE AND ACCUMULATED DEPRECIATION BALANCES SHOWN ON B-2 REFLECT THE LAST COMMISSION RATE ORDER?

A46. Yes. This is the first rate case for RRU since it was granted its Certificate of

Convenience and Necessity ("CC&N") in 2004.³ The reconstruction of the A/D balance through the end of 2013 computes the A/D balance based on the recorded activity (additions and retirements) in the intervening years since the Company began operations. A half-year convention was used along with the authorized depreciation rates from the CC&N decision. Since the Company incorrectly used a 5 percent composite rate for depreciation, and the authorized depreciation rates are generally lower, there is a significant adjustment to the A/D balance.

047. PLEASE CONTINUE.

A47. Adjustment 3 shown on Schedule B-2, page 5, adjusts the accumulated amortization balance of contributions-in-aid of construction ("CIAC") to the recomputed amount reflecting the annual composite depreciation rate for plant-in-service.

Q48. HOW WAS THE PROPOSED "FAIR VALUE" RATE BASE SHOWN ON A-1 DETERMINED?

A48. As previously stated, the FVRB shown on Schedule A-1 is based on OCRB, with no adjustment for the current values of the Company's plant and property.

C. INCOME STATEMENT (C SCHEDULES)

Q49. PLEASE EXPLAIN THE ADJUSTMENTS YOU ARE PROPOSING TO THE WASTEWATER DIVISION INCOME STATEMENT AS SHOWN ON SCHEDULES C-1 AND C-2.

A49. The following is a summary of adjustments shown on Schedule C-1:

Adjustment 1 annualizes depreciation expense. The proposed depreciation rate for each component of utility plant is shown on Schedule C-2, page 2. The depreciation rates approved in the Wastewater Division's 2004 CC&N case were

³ ACC Decision 67409, November 2, 2004.

 property tax computation earlier in my testimony at pages 9 and 10.

Adjustment 3 shows the rate case expense estimated by the Company. The Company currently estimates rate case expense for the Wastewater Division of \$25,000. The Company proposes that rate case expense be recovered over five years because it believes a five-year cycle for future rate cases is reasonable given this utility's circumstances. While the Company's last rate case was twelve years ago, the Company intends to file cases on a more regular basis.

Q56. WHY DO YOU BELIEVE THIS IS A REASONABLE ESTIMATE OF RATE CASE FOR THIS RATE CASE?

A56. I discussed the basis of the estimate for rate case expense earlier in my testimony at pages 11-12.

Q57. PLEASE CONTINUE WITH YOUR DISCUSSION OF THE INCOME STATEMENT ADJUSTMENTS?

A57. Adjustment 4 increases revenues for 400 additional customers that are expected over the next five years. This adjustment also reflects the expected increase in purchased power expense based on the additional gallons sold for 400 additional customers.

Q58. IS INCORPORATING ADDITIONAL REVENUES FOR 400 CUSTOMERS EXPECTED OVER THE NEXT 5 YEARS A TYPICAL ADJUSTMENT?

A58. No. This is not a known and measurable adjustment to the test year and would not be appropriate under normal circumstances. However, based upon the fact that the Company's service territory failed to develop as quickly as expected, due to (i) the change in the developer of Red Rock Village and (ii) the 2008 financial crisis and subsequent recession, as discussed by Mr. Weinberg, the Company recognizes that it's plant investment may be disproportionate to the current customer levels. It is

therefore proposing this adjustment to help to mitigate the rate impact on current ratepayers as well as help to keep the utility rates in its service territory at levels which may help to encourage future growth in the area. In that regard, the Company's proposed adjustment is not intended to set any ratemaking precedent for this or any other Company regulated by the Commission.

Q59. IS THE COMPANY REQUESTING RECOVERY OF INCOME TAXES?

A59. No. I discussed the reasons why earlier at page 13.

D. Cost of Capital (D Schedules).

Q60. PLEASE SUMMARIZE THE COMPANY'S PROPOSED COST OF CAPITAL.

A60. As previously indicated, RRU is requesting a return on common equity of 9.5 percent. RRU's capital structure consists of 100 percent equity and 0 percent debt. The weighted average cost of capital ("WACC") is 9.5 percent based upon the aforementioned capital structure and cost of equity. I have previously discussed the rationale for the 9.5 percent recommendation at page 13.

E. <u>Rate Design (H Schedules)</u>.

Q61. WHAT ARE THE COMPANY'S PRESENT RATES FOR WASTEWATER SERVICE?

A61. The Company's present rates are:

MONTHLY SERVICE CHARGES

5/8" x 3/4" meters	\$ 39.50
3/4" Meters	\$ 59.25
1" Meters	\$ 98.75

1		1 1/2" Meters	S		\$	197.50				
2		2" Meters		•	\$	316.00				
3		3" meters		\$ 592.50						
4		4" Meters			. \$	987.50				
5		6" Meter			\$1	,975.00				
6										
7		Effluent Sales								
8			Rate (nei	(1,000 gallons)		\$0.92				
9		Commodity I		_	9	\$300.00				
10		Commounty 1	rance (per	4 4010 10019						
11	062	WHAT ARE	THE	COMPANY'S	PROPOSED	RATES	FOR			
12	Q02.	WASTEWATER S			11101 0022		!			
13	A62.	The Company's pro								
14	A02.	MONTHLY SERVI								
15		5/8" x 3/4" m		IKGES	\$	69.80				
16		3/4" Meters	icters			104.69				
17		1" Meters				174.49				
18			_			348.98				
19		1 1/2" Meters	S			558.37				
20		2" Meters								
21		3" meters				,116.74				
22		4" Meters				,744.91				
23		6" Meter			\$3	3,489.83				
24										
25		Effluent Sales								
26		Commodity 2	Rate (pe	r 1,000 gallons)		\$0.92				
20										

Commodity Rate (per acre foot)

\$300.00

Q63. WHAT IS THE IMPACT ON A 5/8X3/4 INCH RESIDENTIAL CUSTOMER?

A63. The current monthly charge for a 5/8x34/ inch metered customer is \$39.50. Under the Company's proposed rates the monthly charge for a 5/8x3/4 inch metered customer is \$69.80, an increase of \$30.03 or 76.70 percent.

Q64. IS THE COMPANY PROPOSING TO PHASE IN THE WASTEWATER RATE INCREASE?

A64. Yes. The Company is proposing to phase in the rate increase evenly over 5 years with no collection of the time value of money. Phasing in the \$30.30 increase evenly over 5-years means the Company will increase the monthly charge by \$6.06 per year. In Exhibit TJB-RB-DT-2, the Company has set forth the rates for each year of the 5-year phase-in period.

Q65. HAS THE COMPANY EXPLORED ALTERNATIVE RATES FOR THE WASTEWATER DIVISION AS ORDERED BY THE COMMISSION IN DECISION 67409?

A65. Yes. In the CC&N decision (67409), the Commission ordered the Company to present information on: 1) whether wastewater rates based on water consumption encourage water conservation; 2) whether higher bills for those who use the system more is a fairer way to collect revenue; and, 3) what tiered wastewater rates based on water consumption would look like compared to a flat rate design.

With respect to the first question posed by the Commission, a theoretical argument can be made that if a customer pays more for wastewater service due to high water usage, there may be in incentive to conserve water. However, the Company has not found any studies which actually analyzed whether there is a

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nexus between wastewater rates and water conservation, and it cannot independently confirm that higher wastewater bills lead to water conservation. Further, because high water usage does not necessarily translate to higher flows into the wastewater system, charging a customer more for a higher water usage could be considered unfair. Finally, it should be noted that there is a risk that conservation in water consumption, as a result of high wastewater rates, could result in increased both water and wastewater revenue instability. In that event, the Company would not recover its authorized revenue requirement.

The question of fairness leads to the second question posed by the Commission. Higher bills for those who use the system more is arguably a fairer way to collect revenue. However, the problem is identifying those customers who actually place greater demands on the wastewater system (use the system more). Total water usage alone is not necessarily a good measure of the demands a customer places on the wastewater system, because not all water used by a customer necessarily makes its way into the wastewater system. Most of the water used indoors (such as for bathing, cooking, clothes washing, and toilets) makes its way into the wastewater system, and contributes to wastewater treatment costs. But, water used outdoors (such as for landscaping, washing cars, cleaning driveways and patios, evaporative coolers, and pools) does not make its way into the wastewater system, and therefore does not contribute to water treatment costs. Indoor water use is therefore generally speaking the primary source of customer wastewater flows into the system, but it is not metered separately. For these reasons, the company believes it would be unfair to charge for wastewater service based upon total water usage.

Since total water usage is not a good measure of the demands a customer

places on the wastewater system, the Company would have to use other metrics, such as (i) the number of persons in a household and (ii) an assumed standard flow per person per day to determine the wastewater flows. The Company could then charge more for customers with assumed higher wastewater flows (i.e. more persons in household means more potential wastewater flows). One way to accomplish this would be to use standard flow rates based on a recognized authority, if such an authority exists. Some might view this as unfair, however, because the standards might not be applicable for all households. In addition, there might be different standards based on the type of customer (single-family, multifamily, office, warehouse, restaurant, etc.). The Company has not explored this alternative.

Finally, in response to the third question posed by the Commission, the Company has prepared a tiered wastewater rate design, which is included as Exhibit TJB-RB-DT-3. However, the Company does not support a rate design based upon water usage, including the design included in the exhibit, for the reasons discussed above.

1. Other Tariff Changes.

- Q66. IS THE COMPANY PROPOSING ANY CHANGES TO ITS MISCELLANEOUS CHARGES FOR THE WASTEWATER DIVISION?
- A66. No.
- Q67. DOES THAT CONCLUDE YOUR DIRECT TESTIMONY?
- A67. Yes.

Red Rock Utilities, LLC
Docket No: WS-04245A-14-

THOMAS J. BOURASSA DIRECT TESTIMONY

August 4, 2014

EXHIBIT TJB-RB-DT-1

RESUME OF THOMAS J. BOURASSA, CPA

EDUCATIONAL BACKGROUND

B.S. Northern Arizona University Chemistry/Accounting (1980)

M.B.A. University of Phoenix with Emphasis in Finance (1991)

C.P.A. State of Arizona (1995)

Continuing Professional Education – In areas of tax, accounting, management, economics, finance, business valuation, consulting, and ethics (80 hrs every two years)

MEMBERSHIPS

Arizona Society of CPAs Water Utilities Association of Arizona American Water Works Association Society of Regulatory Financial Analysts

EMPLOYMENT EXPERIENCE

1770 IIOSOIII	1995	- Prese	ent
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CPA - Self Employed

Consultant to utilities on regulatory matters including all aspects of rate applications (rate base, income statement, cost of capital, cost of service, and rate design), rate reviews, certificates of convenience and necessity (CC&N), CC&N extensions, financing applications, accounting order applications, and off-site facilities hook-up fee applications. Provide expert testimony as required.

Consult on various aspects of business, financial and accounting matters including best business practices, generally accepted accounting principles, generally accepted ratemaking principles, project analysis, cash flow analysis, regulatory treatment of certain expenditures and investments, business valuations, and rate reviews.

Litigation support services.

1992-1995	Employed by High-Tech Institute, Phoenix, Arizona as Controller and C.F.O.
1989-1992	Employed by Alta Technical School, a division of University of Phoenix as Division Controller.
1985-1989	Employed by M.L.R. Builders, Tampa and Pensacola, Florida as Operations/Accounting Manager
1982-1985	Employed by and part owner in Area Sand and Clay Company, Pensacola, Florida.

1981-1982 Employed by Purdue University, West Lafayette, Indiana as Teaching Assistant.

SUMMARY OF REGULATORY WORK EXPERIENCE AS SELF EMPLOYED CONSULTANT

COMPANY/CLIENT

Anchorage Municipal Light & Power Regulatory Commission of Alaska Docket No. TA-332-121

FUNCTION

Prepare schedules and testified on cost of capital.

Liberty Utilities (Pine Bluff) Inc. Arkansas Public Service Commission Docket No. 14-020-U

Docket No. 14-020-U

Permanent Rate Application – Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service, Rate Design, and Cost of Capital.

Abra Water Company ACC Docket No. W-01782A-14-0084 Permanent Rate Application – Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

EPCOR Water Arizona, Inc. ACC Docket No. W-01303A-14-0010 Permanent Rate Application – Prepared rate designs and cost of Service studies for Mohave Water District, Mohave Wastewater District, Paradise Valley Water District, Tubac Water District, and Sun City Water District.

Liberty Utilities (Midstates Natural Gas), Inc.

Missouri Public Service Commission Case No. GR-2014-0152

Permanent Rate Application – Assist in preparing required rate application schedules for Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Hydro Resources, LLC. ACC Docket No. W-20770A-13-0313

CC&N Application. Prepared required schedules and initial rates.

Little Park Water Company ACC Docket No. W-02192A-13-0336 Permanent Rate Application – Water. Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Utility Source, LLC. ACC Docket No. WS-04235A-13-0331

Permanent Rate Application – Water and Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and

> Exhibit TJB-RB-DT-1 Page 3 of 14

FUNCTION Cost of Capital.

Payson Water Company ACC Docket No. W-03514A-13-0111 ACC Docket No. W-03514A-13-0142 Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Financing Application. Prepared financial ratios and debt surcharge mechanism.

Goodman Water Company

Valuation

Verde Santa Fe Wastewater ACC Docket No. SW-03437A-13-0292 Permanent Rate Application – Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Del Lago Water Company ACC Docket No. W-01944A-13-0215 Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service, Rate Design, and Cost of Capital.

Chaparral City Water Company ACC Docket No. W-02113A-13-0118

Permanent Rate Application – Prepared and testified on cost of service study.

Las Quintas Serenas Water Company ACC Docket No. W-01583A-13-0117

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

ACC Docket No. SW-01428A-13-0043 ACC Docket No. W-01428A-13-0042 Permanent Rate Application – Water and Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, Cost of Service, and Cost of Capital.

Beaver Dam Water Company ACC Docket No. WS-03067A-12-0232 Permanent Rate Application. Prepared schedules on Plant, Income Statement, Revenue Requirement, and Rate Design.

Rio Rico Utilities

Permanent Rate Application - Water and

Exhibit TJB-RB-DT-1 Page 4 of 14

ACC Docket No. WS-02676A-12-0196

FUNCTION

Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service, Rate Design, and Cost of Capital.

Vail Water Company ACC Docket No. W-01651B-12-0339 Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service, Rate Design, and Cost of Capital.

Avra Water Co-Op. ACC Docket No. W-02126A-11-0480 Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service, Rate Design, and Cost of Capital.

Pima Utility Company ACC Docket No. W-02199A-11-0329 ACC Docket No. SW-02199A-11-0330 Permanent Rate Application – Water and Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service, Rate Design, and Cost of Capital.

Work on financing application.

Liberty Utilities (CALPECO Electric), LLC) Docket No. 11202020 Work on preparation of permanent rate application. Prepared schedules on Rate Base, Plant, Income Statement, Revenue Requirement.

Livco Water Company ACC Docket No. SW-02563A-11-0213 Permanent Rate Application – Water and Sewer. Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Orange Grove Water Company ACC Docket No. W-02237A-11-0180 Permanent Rate Application. Prepared schedules on Plant, Income Statement, Revenue Requirement, and Rate Design.

Goodman Water Company ACC Docket No. W-02500A-10-0382 Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Doney Park Water ACC Docket No. W-01416A-10-0450

FUNCTION

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Grimmelmann, et. al. v. Pulte Home Corporation, et. al., case no. CV-08-1878-PHX-FJM, the United States District Court for the District of Arizona. Consultant to defendant and expert witness for defendant on rates and ratemaking.

Southern Arizona Home Builders Association Consultant on ratemaking aspects to line extension policies (electric).

H2O Water Company

Valuation

Tierra Linda HOA Water Company

Valuation

Las Quintas Serenas Water Company ACC Docket No. W-01583A-09-0589

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Coronado Utilities ACC Docket No. SW-04305A-09-0291 Permanent Rate Application – Wastewater. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Little Park Water Company ACC Docket No. W-02192A-09-0531 Permanent Rate Application. Prepared schedules on Plant, Income Statement, Revenue Requirement, and Rate Design.

Sahuarita Water Company ACC Docket No. W-03718A-09-0359 Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, Cost of Service, and Cost of Capital.

Bella Vista Water Company Southern Sunrise Water Company Northern Sunrise Water Company ACC Docket No. W-02465A-09-0414 ACC Docket No. W-02453A-09-0414 ACC Docket No. W-02454A-09-0414 Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, Cost of Service, and Cost of Capital.

FUNCTION

Rio Rico Utilities	, Inc
ACC Docket No.	WS-02676A-09-0257

Permanent Rate Application – Water and Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Litchfield park Service Company ACC Docket No. SW-01428A-09-0103 ACC Docket No. W-01428A-09-0104 Permanent Rate Application – Water and Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, Cost of Service, and Cost of Capital.

Town of Thatcher v. City of Safford, CV 2007-240, Superior Court of Arizona

Consultant to plaintiff on ratemaking and cost of service.

Valencia Water Company California Public Utility Commission Case No. 09-05-002 Cost of Capital

Valley Utilities ACC Docket No. W-01412A-08-0586 Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Black Mountain Sewer Company ACC Docket No. SW-02361A-08-0609 Permanent Rate Application – Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Far West Water and Sewer Company ACC Docket No. WS-03478A-08-0608

Interim Rate Application (Emergency Rates)

Farmers Water Company ACC Docket No. W-01654A-08-0502 Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Far West Water and Sewer Company ACC Docket No. WS-03478A-08-0454

Permanent Rate Application. Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design and Cost of

> Exhibit TJB-RB-DT-1 Page 7 of 14

FUNCTION

Capital.

Ridgeline Water Company, LLC ACC Docket No. W-20589A-08-0173

Certificate of Convenience and Necessity – Water. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, and financing.

Sacramento Utilities, Inc. ACC Docket No. SW-20576A-08-0067 Certificate of Convenience and Necessity – Wastewater. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, and financing.

Johnson Utilities ACC Docket No. WS-02987A-08-0180 Permanent Rate Application. Water and Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design and Cost of Capital.

Participate in 40-252 proceeding.

Orange Grove Water Company ACC Docket No. W-02237A-08-0455 Permanent Rate Application. Prepared schedules on Plant, Income Statement, Revenue Requirement, and Rate Design.

Far West Water and Sewer Company ACC Docket No. WS-03478A-07-0442

Financing Application. Prepare schedules to support application.

Oak Creek Water No.1 ACC Docket No. W-01392A-07-0679 Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

ICR Water Users Association Docket W-02824-07-0388 Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Johnson Utilities

Valuation consultant in the matter of the sale of Johnson Utilities assets to the Town of Florence.

H2O, Inc ACC Docket No. W-02234A-07-0550 Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of

Exhibit TJB-RB-DT-1 Page 8 of 14

FUNCTION Capital.

Chaparral City Water Company ACC Docket No. W-02113A-07-0551 Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Valley Utilities ACC Docket No. W-01412A-07-0561 Financing Application. Prepare schedules to support application.

Valley Utilities ACC Docket No. W-01412A-07-280 Emergency Rate Application. Prepare schedules to support application.

Valley Utilities ACC Docket No. W-01412A-07-0278 Accounting Order. Assist in preparing definition and scope of costs for deferral for future regulatory consideration and treatment.

Litchfield Park Service Company ACC Docket No. W-01427A-06-0807 Accounting Order. Assist in preparing definition and scope of costs for deferral for future regulatory consideration and treatment.

Golden Shores Water Company ACC Docket No. W-01815A-07-0117 Permanent Rate Application. Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Diablo Village Water Company ACC Docket No. W-02309A-07-0140 Off-site facilities hook-up fee application. Prepare schedules to support application.

Diablo Village Water Company ACC Docket No. W-02309A-07-0399 Permanent Rate Application (Class C). Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Sahuarita Water Company (Rancho Sahuarita Water Co.) ACC Docket No. W-03718A-07-0687 Extension Certificate of Convenience and Necessity – Water. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, and financing.

Exhibit TJB-RB-DT-1 Page 9 of 14

FUNCTION

Utility Source, L.L.C. ACC Docket No. WS-04235A-06-0303

Permanent Rate Application- Water and Wastewater. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Tierra Buena Water Company

Valuation of Tierra Buena Water Company for estate purposes.

Goodman Water Company ACC Docket No. W-02500A-06-0281 Permanent Rate Application (Class C). Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, and Cost of Capital.

Links at Coyote Wash Utilities ACC Docket No. SW-04210A-06-0220 Certificate of Convenience and Necessity

— Sewer. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

New River Utilities ACC Docket No. W-0173A-06-0171 Extension Certificate of Convenience and Necessity – Water. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, and financing.

Johnson Utilities ACC Docket No. WS-02987A-04-0501 Docket WS-02987A-04-0177 Extension of Certificate of Convenience and Necessity – Sewer. Prepared proforma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

Bachmann Springs Utility ACC Docket No. WS-03953A-07-0073 Permanent Rate Application – Water and Sewer. Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Avra Water Cooperative ACC Docket No. W-02126A-06-0234

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Gold Canyon Sewer Company ACC Docket No. SW-025191A-06-0015 Permanent Rate Application – Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue

> Exhibit TJB-RB-DT-1 Page 10 of 14

FUNCTION

Requirement, Rate Design, and Cost of Capital.

State of Arizona v. Far West Water and Sewer, No. 1 CA-CR 06-0160

Expert witness on behalf of defendant in penalty phase of case.

Far West Water and Sewer Company ACC Docket No. WS-03478A-05-0801

Permanent Rate Application – Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Black Mountain Sewer Company ACC Docket No. SW-02361A-05-0657 Permanent Rate Application – Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Balterra Sewer Company ACC Docket No. SW-02304A-05-0586 Certificate of Convenience and Necessity – Sewer. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

Community Water Company of Green Valley ACC Docket No. W-02304A-05-0830

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

McClain Water Systems
Northern Sunrise Water
Southern Sunrise Water
ACC Docket No. W-020453A-06-0251

Certificate of Convenience and Necessity – Water. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

Valley Utilities Water Company ACC Docket No. W-01412A-04-0376 Off-site facilities hook-up fee application. Prepare schedules to support application.

Valley Utilities Water Company ACC Docket No. W-01412A-04-0376 Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, and Revenue Requirement. Assisted in preparation of Rate Design.

Beardsley Water Company

Permanent Rate Application - Water.

Exhibit TJB-RB-DT-I Page 11 of 14

ACC Docket No. W-02074A-04-0358

FUNCTION

Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Pine Water Company, Inc. ACC Docket No. W-03512A-03-0279 Interim and Permanent Rate Application, Financing Application - Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Cost of Capital, and Rate Design.

Chaparral City Water Company ACC Docket No. W-02113A-04-0616 Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, and Income Statement. Assisted in preparation Rate Design.

Tierra Linda Home Owners Association ACC Docket No. W-0423A-04-0075

Certificate of Convenience and Necessity – Water. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

Diamond Ventures - Red Rock Utilities ACC Docket No. WS-04245A-04-0184

Certificate of Convenience and Necessity – Water and Sewer. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

Arizona-American Water Company, Inc. ACC Docket No. WS-01303A-02-0867 ACC Docket No. WS-01303A-02-0868 ACC Docket No. WS-01303A-02-0869 ACC Docket No. WS-01303A-02-0870 ACC Docket No. WS-01303A-02-0908 Permanent Rate Application Water and Sewer (10 divisions). Prepared schedules and testimony on Rate Base, Plant, Income Statement, and Revenue Requirement. Assisted in preparation of Rate Design.

Bella Vista Water Company, Inc. ACC Docket No. W-02465A-01-0776

Permanent Rate Application - Water. Prepared schedules and testimony on Rate Base, Plant, Income Statement, and Revenue Requirement. Assisted in preparation of Cost of Capital and Rate Design.

Green Valley Water Company

Permanent Rate Application. Prepared

Exhibit TJB-RB-DT-l Page 12 of 14

Docket (2000 Not Filed)

FUNCTION

schedules and testimony on Rate Base, Plant, Income Statement, and Revenue Requirement. Assisted in preparation of Cost of Capital and Rate Design.

Gold Canyon Sewer Company ACC Docket No. SW-02519A-00-0638 Permanent Rate Application - Sewer. Prepared schedules and testimony on Rate Base, Plant, Revenue Requirement, and Income Statement. Assisted in preparation of Cost of Capital and Rate Design.

Rio Verde Utilities, Inc. ACC Docket No. WS-02156A-00-0321 Permanent Rate Application – Water and Sewer. Prepared schedules and testimony on Rate Base, Plant, Revenue Requirement, and Income Statement. Assisted in preparation of Cost of Capital and Rate Design.

Livco Water Company Livco Sewer Company ACC Docket No. SW-02563A-05-0820 Permanent Rate Application – Water. Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Livco Water Company ACC Docket No. SW-02563A-07-0506 Permanent Rate Application – Water and Sewer. Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Cave Creek Sewer Company

Revenue Requirement, Rate Adjustment and Rate Design - Sewer.

Avra Water Cooperative ACC Docket No. W-02126A-00-0269

Permanent Rate Application – Water. Assisted in preparation of Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Town of Oro Valley

Revenue Requirements, Water Rate Adjustments and Rate Design.

Far West Water Company ACC Docket No. WS-03478A-99-0144 Permanent Rate Application – Water. Assisted in preparation of schedules for Rate Base, Income Statement, Revenue Requirement, Lead-Lag Study, Cost of Capital, and Rate Design.

> Exhibit TJB-RB-DT-1 Page 13 of 14

MHC Operating Limited Partnership Sedona Venture Wastewater ACC Docket No. W-

Vail Water Company ACC Docket No. W-01651B-99-0406

E&T Water Company ACC Docket No. W-01409A-95-0440

New River Utility ACC Docket No. W-01737A-99-0633

Golden Shores Water ACC Docket No. W-01815A-98-0645

Ponderosa Utility Company ACC Docket No. W-01717A-99-0572

Chaparral City Water Company Docket (1999 Not Filed)

FUNCTION

Permanent Rate Application – Sewer. Assisted in preparation of schedules for Rate Base, Plant, Income Statement, and Rate Design.

Permanent Rate Application. Assisted in preparation of schedules for Rate Base, Plant, Income Statement, and Rate Design.

Permanent Rate Application - Water. Assisted in preparation of schedules for Rate Base, Plant, Income Statement, and Rate Design.

Permanent Rate Application - Water. Assisted in preparation of schedules for Rate Base, Plant, Income Statement, and Rate Design.

Permanent Rate Application – Water. Assisted in preparation of schedules for Rate Base, Plant, Income Statement, and Rate Design.

Permanent Rate Application – Water. Assisted in preparation of schedules for Rate Base, Plant, Income Statement, and Rate Design.

Permanent Rate Application - Water. Prepared schedules and testimony on Rate Base, Plant, Revenue Requirement, and Income Statement. Assisted in preparation of Cost of Capital and Rate Design. Red Rock Utilities, LLC
Docket No: WS-04245A-14-____

THOMAS J. BOURASSA DIRECT TESTIMONY

August 4, 2014

EXHIBIT TJB-RB-DT-2

Red Rock Utilities, LLC - Wastewater Division Test Year Ended December 31, 2013 Present and Proposed Rates (Phase In Over 5 years)

Year 2 Year 3 Year 4 Year 5 Rates Rates Rates	\$ 57.68 \$ 63.74 \$	86.52 95.61	129.05 144.20 159.35 174.49	288.40 318.70	461.41 509.88	907.05 1,011.90	1,441.94 1,593.42	2,883.91 3,186.88					\$ 300.00 \$ 300.00 \$ 300.00 \$	
Year 1 Rates	\$ 45.56	68.34	113.90	227.80	364.47	697.35	1,138.98	2,277.97					\$ 300.00	
Line No. Monthly Minimum Charge for: 1 Meter Size (All Classes)	: w	2 3/4 Inch	3 1 Inch	4 11/2 inch		6 3 Inch	7 4 Inch	8 6 Inch	O	10	=	12	13 Effluent Sales (per acre foot) 14	<u>.</u>

Red Rock Utilities, LLC
Docket No: WS-04245A-14-____

THOMAS J. BOURASSA DIRECT TESTIMONY

August 4, 2014

EXHIBIT TJB-RB-DT-3

Red Rock Utilities, LLC - Wastewater Division - Alternative Rate Design Test Year Ended December 31, 2013 Present and Proposed Rates

Exhibit Page 1 of 3

Percent Change	30.50% 30.50% 30.50% 30.50% 30.50% 30.50% 30.50% 30.50%	%00.0 0
Change	12.05 18.07 30.12 60.24 96.38 232.26 301.19 602.38 963.80 1,385.46	Proposed Rate 3.00 4.50 6.00 6.00 6.00
	₩	
Proposed Rates	51.55 77.32 128.87 257.74 412.38 824.76 1,288.69 2,577.38 4,123.80 5,927.96	0.92 Present Rate
	↔	ө өөө өө
Present <u>Rates</u>	39.50 59.25 98.75 197.50 316.00 592.50 987.50 1,975.00 3,160.00 4,542.50	0.92
<u>e</u>	49	Block 0 gallons to 5,000 gallons 5,001 to 10,000 gallons over 10,000 gallons 5,001 to 10,000 gallons over 10,000 gallons
Monthly Minimum Charge for:	Meter Size (All Classes): 5/8 Inch 1 Inch 1 1/2 Inch 2 Inch 3 Inch 4 Inch 6 Inch 10 Inch 10 Inch	Effluent Sales (per 1,000 gallons) Commodity Rates (per 1,000 gallons) 5/8x3/4 Inch 3/4 Inch and Larger
Line No.	- aa w a v a a b t t t t	52 52 53 55 55 56 56 56 56 56 56 56 56 56 56 56

Red Rock Utilities, LLC - Wastewater Division - Alternative Rate Design Test Veer Ended December 34, 2013

Exhibit Page 2 of 3	
ed Rock Utilities, LLC - Wastewater Division - Alternative Rate Design Test Year Ended December 31, 2013 Customer Summary	(a) Avarana

		,					
Line No.	Meter Size, Class	at 12/31/2013	Average Consumption	Present Rates	Proposed Rates	Amount	Amount
1 5/8x3/4 Inch	h Residential	564	5,223	\$ 39.50	\$ 67.55	28.05	71.0
	h Commercial	2	2,313	39.50	58.49	18.99	
4 2 Inch		2	77,027	316.00	867.04	551.04	174.38%
ന ന	Effluent	\$		194.03	194.03	•	0.00%
7 8		,					
5	Total	5/3					

71.01%

28.05

₩

67.55

69

39.50

Average Usage 5,223 \$ Median Usage 4,500 \$

64.68%

25.55

65.05 \$

39.50 \$

Bill Comparison Present and Proposed Rates 5/8 Inch Residential

Meter Size:

Exhibit Page 3 of 3

				39.50										51.55		ı	3.00	4.50	00.9									
				(/)										↔			↔	₩	₩									
																	5,000	10,000	10,000									
			Present Rates:	Monthly Minimum:									Proposed Rates:	Monthly Minimum:	Gallons in Minimum	Charge Per 1,000 Gallons	Up to	Up to	Over									
Percent	ncrease	30.50%	38.09%	45.69%	53.28%	60.88%	68.47%	79.87%	91.26%	102.65%	114.04%	125.44%	155.82%	186.20%	216.58%	246.96%	277.34%	353.28%	429.23%	505.18%	581.13%	657.08%	733.03%	884.93%	1036.83%	1188.73%	1340.63%	1492.53%
Dollar	Increase	12.05	15.05	18.05	21.05	24.05	27.05	31.55	36.05	40.55	45.05	49.55	61.55	73.55	85.55	97.55	109.55	139.55	169.55	199,55	229.55	259.55	289.55	349.55	409.55	469.55	529.55	589.55
		ઝ	₩	₩	₩	₩	₩	₩	↔	₩	₩	Ø	↔	₩	4	↔	₩	69	₩	↔	69	↔	₩.	↔	₩	₩	↔	₩.
Proposed	副	51.55	54.55	57.55	60.55	63.55	66.55	71.05	75.55	80.05	84.55	89.05	101.05	113.05	125.05	137.05	149.05	179.05	209.05	239.05	269.05	299.05	329.05	389.05	449.05	509.05	569.05	629.05
L.L.		↔	↔	↔	₩	↔	↔	49	₩	↔	₩	↔	63	₩	₩	↔	()	↔	↔	₩	63	₩	₩	69	↔	↔	↔	₩
Present	<u></u>	39.50	39.50	39.50	39.50	39.50	39.50	39.50	39.50	39.50	39.50	39.50	39.50	39.50	39.50	39.50	39.50	39.50	39.50	39.50	39.50	39.50	39.50	39.50	39.50	39.50	39.50	39.50
								69				↔																
		ı	1,000	2,000	3,000	4,000	5,000	6,000	7,000	8,000	9,000	10,000	12,000	14,000	16,000	18,000	20,000	25,000	30,000	35,000	40,000	45,000	50,000	60,000	70,000	80,000	90,000	100,000

Red Rock Utilities, LLC
Docket No: WS-04245A-14-____

August 4, 2014

WATER DIVISION SCHEDULES

Red Rock Ultilties, LLC - Water Division

Test Year Ended December 31, 2013 Computation of Increase in Gross Revenue Requirements As Adjusted Exhibit Schedule A-1 Page 1 Witness: Bourassa

Line			
<u>No.</u>			
1	Fair Value Rate Base	\$	1,378,255
2			
3	Adjusted Operating Income		116,695
4			
5	Current Rate of Return		8.47%
6			
7	Required Operating Income	\$	130,934
8			
9	Required Rate of Return		9.50%
10		_	
11	Operating Income Deficiency	\$	14,239
12			
13	Gross Revenue Conversion Factor		1.0169
14			
15	Increase in Gross Revenue		
16	Requirement	\$	14,480
17	• • • • • •		
18	Adjusted Test Year Revenues	\$	533,046
19	Increase in Gross Revenue Revenue Requirement	\$	14,480
20	Proposed Revenue Requirement	\$	547,525
21	% Increase		2.72%
22			

7	2
_	J

23								
24	Customer		I	Present	F	Proposed	Dollar	Percent
25	Classification	ı		<u>Rates</u>		Rates	<u>Increase</u>	<u>Increase</u>
26	(Residential C	Commercial, Irrigation)						
27	5/8x3/4 Inch	Residential	\$	268,205	\$	273,676	\$ 5,471	2.04%
28								
29	5/8x3/4 Inch	Commercial		742		749	7	0.96%
30	2 Inch	Commercial		1 1,9 29		12,566	636	5.33%
31								
32	1 Inch	Irrigation		7,206		7,617	411	5.70%
33	2 Inch	Irrigation		5,201		5,445	244	4.69%
34								
35		Bulk		31,242		34,017	2,775	8.88%
36		Hydrant(standpipe)		19,341		21,076	1,736	
37								
38	Revenues Fron	m Prjected Customer Growth		179,937		182,522	2,585	1.44%
39								
40	Subtotal		\$	523,802	\$	537,668	\$ 13,865	2.65%
41								
42	Micellaneous (Charges		9,276		9,276	-	0.00%
43	Reconciling Ar	mount		(33)		582	615	-1863.64%
44	Rounding						 	0.00%
45	Total of Wate	r Revenues	\$	533,045	\$	547,526	\$ 14,480	2.72%

46

SUPPORTING SCHEDULES:

47 <u>SUF</u> 48 B-1

49 C-1

50 C-3

51 H-1

Red Rock Ultiities, LLC - Water Division Test Year Ended December 31, 2013 Summary of Results of Operations

Exhibit Schedule A-2 Page 1 Witness: Bourassa

											Projec	ted	l Year
							Test	Yea	ır		Present		Proposed
Line			Prior Ye	ars	Ended		Actual		_ Adjusted		Rates		Rates
No.	Description	12	2/31/2011		12/31/2012	1.	2/31/2013		2/ <u>31/2013</u>	13	2/31/2014		12/31/2014
1	Gross Revenues	\$	442,301	\$	347,567	\$	368,480	\$	533,046	\$	533,046	\$	547,525
2	0.000	•	,	-	,	•			•		•		
3	Revenue Deductions and		554,910		571,662		569,003		416,350		416,350		416,591
4	Operating Expenses				,		,				•		
5	Sporoung Expones												
6	Operating Income	S	(112,609)	S	(224,095)	\$	(200,523)	S	116,695	\$	116,695	\$	130,934
7	Operating modifie	*	(112,000)	*	(221,000)	_	(===,===,	•	,	•	,		
8	Other Income and		565		299		4,859		4,859		4,859		4,859
9	Deductions		000		200		.,		,,,,,,		,		•
10	Deddellons												
11	Interest Expense		_		_		_		_		_		•
12	interest Expense							_					
13	Net Income	\$	(112,044)	\$	(223,796)	£	(195,664)	s	121,554	\$	121,554	\$	135,793
14	14Ct moonie		(112,044)	Ψ.	(220,700)	-	(100,001)			<u> </u>		Ť	
	Farnad Day Assassa												
15	Earned Per Average		NA		NA		NA		NA		NA		NA
16	Common Share		INA		IVA		INA		1375		13/3		13/7
17	B: 11 B												
18	Dividends Per		NA		NA		NA		NA		NA		NA
19	Common Share		NA		NA		IVA		INA		INC		1473
20	B (B)												_
21	Payout Ratio		-		-		-		_		-		_
22	Data and Assessed												
23	Return on Average		4 5 100		0.0087		2 200		1.74%		1.75%		1.96%
24	Invested Capital		-1.54%		-3.23%		-2.86%		1.7470		1.7370		1.5070
25	B. C. C. W. C. F. d												
26	Return on Year End		4.0404		0.059/		0.900/		1.74%		1.76%		1.97%
27	Capital		-1.61%		-3.25%		-2.89%		1.1470		1.70%		1.51 70
28													
29	Return on Average				0.050/		0.450/		4 700/		6 000/		5.67%
30	Member's Equity		-4.06%		-8.65%		-8.15%		4.79%		5.09%		3.07 /6
31													
32	Return on Year End						0.4484		4.0004		4.070/		5.52%
33	Common Equity		-4.15%		-9.04%		-8.41%		4.68%		4.97%		5.5276
34													
35	Times Bond Interest Earned												
36	Before Income Taxes		-		-		-		-		•		-
37													
38	Times Total Interest and												
39	Preferred Dividends Eamed												
40	After Income Taxes		-		-		-		-		-		-
41													
42													
43													
44													
45													
16	SUIDDODTING SCHEDULES												

SUPPORTING SCHEDULES

46 C-1 E-2 47

F-1

Red Rock Ultiities, LLC - Water Division

Test Year Ended December 31, 2013 Construction Expenditures and Gross Utility Plant in Service

40

Exhibit Schedule A-4 Page 1 Witness: Bourassa

Line <u>No.</u> 1 2		Construction <u>Expenditures</u>	Net Plant Placed in <u>Service</u>	Gross Utility Plant in Service
2 3	Drive Value Ended 40/24/2044	240.040	310,010	6,200,108
4 5	Prior Year Ended 12/31/2011	310,010	310,010	0,200,100
6 7	Prior Year Ended 12/31/2012	402,952	34,680	6,234,788
8 9	Test Year Ended 12/31/2013	20,822	10,656	6,245,444
10	Projected Year Ended 12/31/2014	40,000	40,000	6,285,444
11 12				
13				
14				
15 16				
16 17				
18				
19				
20				
21				
22 23				
23 24				
25				
26				
27				
28				
29				
30 31				
32				
33				
34	SUPPORTING SCHEDULES:			
35	B-2			
36	E-5			
37 38	F-3			
39				
40				-

Red Rock Ultiities, LLC - Water Division

Test Year Ended December 31, 2013 Summary of Rate Base Exhibit Schedule B-1 Page 1 Witness: Bourassa

Line <u>No.</u>		iginal Cost Rate base	-	air Value Rate Base
1 2 3	Gross Utility Plant in Service Less: Accumulated Depreciation	\$ 5,318,335 873,019	\$	5,318,335 873,019
4 5 6	Net Utility Plant in Service	\$ 4,445,316	\$	4,445,316
7	Less:	2 224 252		0.004.050
8 9	Advances in Aid of Construction	2,861,056		2,861,056
10 11	Contributions in Aid of Construction	233,715		233,715
12 13	Accumulated Amortization of CIAC	(27,711)		(27,711)
14	Customer Meter Deposits			_
15 16 17 18	Deferred Income Taxes & Credits	•		-
19	Plus:			
20	Unamortized Finance			
21	Charges	-		-
22	Deferred Tax Assets	-		-
23 24 25	Allowance for Working Capital	-		-
26 27 28	Total Rate Base	\$ 1,378,255	\$	1,378,255

30 31 32

29

38 39 40

41

SUPPORTING SCHEDULES:

42 B-2 43 B-3 44 B-5 45 E-1 46

Red Rock Ultiities, LLC - Water Division

Test Year Ended December 31, 2013 Original Cost Rate Base Proforma Adjustments Exhibit Schedule B-2 Page 1 Witness: Bourassa

Line <u>No.</u>		Actual at End of Test Year	Proforma <u>Adjustment</u>		Adjusted at end of Test Year
1 2 3 .	Gross Utility Plant in Service	\$ 6,245,446	(927,111)	\$	5,318,335
4 5 6	Less: Accumulated Depreciation	1,901,802	(1,028,783)		873,019
· 7		 			
9 10 11	Net Utility Plant in Service	\$ 4,343,644		\$	4,445,316
12 13	Less: Advances in Aid of	0.044.050	(750,000)		0.064.056
14 15 16	Construction Contributions in Aid of	3,611,056	(750,000)		2,861,056
17 18	Construction - Gross	233,715	•		233,715
19 20 21	Accumulated Amortization of CIAC Customer Meter Deposits	(52,586)	24,875		(27,711)
22 23 24 25	Accumulated Deferred Income Tax	-	-		-
26 27	Plus: Unamortized Finance				
28	Charges	-			-
29 30	Prepayments Materials and Supplies	-			-
31 32	Working capital	-	-		-
33 34 35 36 37 38 39	Total	\$ 551,459		<u>\$</u>	1,378,255
40 41 42 43 44					
44 45 46 47 48	SUPPORTING SCHEDULES: B-2, pages 2 E-1			RECAP _. S 3-1	CHEDULES:

233,715 (27,711)5,318,335 873,019 4,445,316 2,861,056 Page 2 Witness: Bourassa Adjusted at end Test Year ö Schedule B-2 Exhibit RECAP SCHEDULES: B-1 <u>5</u> Intentionally Left Blank (750,000)Verano AIAC Proforma Adjustments (24,875) \$ 24,875 CIAC (927,111) \$ 1,028,783 \$ (1,028,783)1.028.783 Accumulated Depreciation Red Rock Ultities, LLC - Water Division Test Year Ended December 31, 2013 Original Cost Rate Base Proforma Adjustments N (927,111) (927,111)Service Plant-in-\$ 4,343,644 \$ 551,459 \$ 233,715 (52,586)6,245,446 1,901,802 3,611,056 End of Test Year Actual Accumulated Deferred Income Taxes Prepayments Materials and Supplies Allowance for Cash Working Capital SUPPORTING SCHEDULES: B-2, pages 3-5 E-1 Accumulated Amort of CIAC Customer Meter Deposits Contributions in Aid of Unamortized Finance Construction (CIAC) Advances in Aid of Plant in Service Net Utility Plant in Service Construction Accumulated Depreciation **Gross Utility** Charges Less: Less: Plus: Total

Red Rock Ultities, LLC - Water Division Test Year Ended December 31, 2013 Original Cost Rate Base Proforma Adjustments Adjustment Number 1

Exhibit Schedule B-2 Page 3 Witness: Bourassa

				Adjustm	Adjustment Number 1				Witness: Bourassa	
· <u>!</u>				Plant	Plant-in-Service					
§ - c					∢	ᅃ	<u>Adjustments</u> <u>C</u>	а	Ш	
1 W 4	Acct.		∢ŏ	Actual Orginal	Remove Verano	Excess Capacity	Reconcliation to Reconstruction	Intentionally Left	Intentionally Left	Adjusted Original
· w	Ž	Description	, -	Sost	Plant	Adjustments	of PIS Balance	Blank	Blank	Cost
ω	90			54,297			•			54,297
~	302	_		95,236	(21,305)		1			73,931
ω.	303	_		32,810			1			32,810
ത	8 8			8,049						840,8
무 ;	3 3 3 3						•			,
- :	308			1 70			•			, , , , ,
5 5	200	Wells and Springs Inditration Calledge and Turnals		71.81,189		•				- 12,180
<u> </u>	300			, ,			•			•
15	310			51,082						51,082
16	311	_					•			
17	320	_		573,066		(309,456)				263,610
18	320.1									
19	320.2	_					•			,
20	330	_		1,454,518		(596,352)	•			858,166
7	330.1						•			•
22	330.2			, ,						
23	331		-	2,343,549			•			2,343,549
24	333			518,785						518,/85
Ç,	334			154,334			•			400,400
9 1	332			208,018			•			910'002
ž	0 0			. 0			•			651
% ¢	9 6	Other Plant and Misc. Equip. Office Furniture and Fishines		5.75.7			1 •			5.752
808	340.1						1			<u> </u>
9	341			8,224			ı			8,224
32	342	٠.		3,836			•			3,836
8	343	,		2,856			Ī			2,856
8 8	344	_		14,718			•			14,718
55	345			18,224			•			18,224
3 8	346	Communications Equipment		. 8			. 1			6.124
ō :	<u>;</u>			t 71.7						1
සි	84 80	Other Tangible Plant		3			1			
9 6			4	A 245 448 C	\$ (21 305) S	(805 808)	·		45	\$ 5,318,333
4 4					* (000't =)			•		
42	Plant-i	Plant-in-Service per Books							•	\$ 6,245,444
φ.		· · · · · · · · · · · · · · · · · · ·								0007 4447
4 4	ncrea	Increase (decrease) in Plant-in-Service							•	
4 4	Adjust	Adjustment to Plant-in-Service							,	\$ (927,111)
Ļ										

SUPPORTING SCHEDULES B-2, pages 3.1-3.19

Red Rock Ultiities, LLC - Water Division Test Year Ended December 31, 2013 Original Cost Rate Base Proforma Adjustments Adjustment Number 1-A

Exhibit Schedule B-2 Page 3.1 Witness: Bourassa

Remove Verano Division Plant

Line				
<u>No.</u>				
1				
2 3				
3	Acct.			
4	<u>No.</u>	Description	<u>Ar</u>	<u>mount</u>
5				
6	302	Franchise Cost	\$	21,305
7				
8				
9		TOTAL	\$	21,305
10				
11				
12	Increas	e (decrease) in Plant-in-Service	\$	(21,305)
13				
14	Adjustn	nent to Plant-in-Service	\$	(21,305)
15				
16		RTING SCHEDULES		
17	Testimo	pny		
18				
19				
20				

Red Rock Ultiities, LLC - Water Division Test Year Ended December 31, 2013 Original Cost Rate Base Proforma Adjustments Adjustment Number 1-B

Exhibit Schedule B-2 Page 3.2 Witness: Bourassa

Excess Capacity Adjustment

Line						
No.						
1						
2			Plant	Projected		Excess
3	Acct.		Balance	Excess Capacity	ı	Capacity
4	No.	<u>Description</u>	End of TY	as Percent	<u>A</u>	<u>djustment</u>
5						
6						
7	320	Water Treatment Equipment	573,066	54%		309,456
8	330	Dist. Reservoirs & Standpipe	1,454,518	41%		596,352
9		TOTAL			\$	905,808
10						
11						
12	Increas	se (decrease) in Plant-in-Service			\$	(905,808)
13						
14	Adjustr	ment to Plant-in-Service			\$	(905,808)
15						
16	SUPPO	ORTING SCHEDULES				
17	Testime	ony				
18						
19						

Red Rock Ultiitles, LLC - Water Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment Number 1-C

Exhibit Schedule B-2 Page 3.3 Witness: Bourassa

Reconciliation of Plant-in-service Balance to Reconstructed Balance

Pack-notified Pack-notifie							
Adjusted Balance Orginal B-2 Adjusted Belance 64.297 Adjustments 64.297 Adjustments 64.297 Adjustments 64.297 Adjustments 64.297 Adjustments 69.4297							
Cost Adjustments Cost Secondario S			Orginal	B-2	Adjusted Original	Balance Per	
64.297 6.297 5.4297 6.207 6.207 6.207 6.207 6.208 6.20		Description	Cost	Adjustments	Cost	Reconstruction	
95.236 (21,305) 73,831 7 7 81 1 7 1 1 1 1 1 1 1 1 1 1 1 1 1 1		Organization Cost	54,297	•	54,297	54,297	
Signature		Franchise Cost	95,236	(21,305)	73,931	73,931	
Service Signature Signat		Land and Land Rights	32,810	•	32,810	32,810	
infakes infakes infakes infakes infakes infakes infakes ind Tunnels ind Tun		Structures and Improvements	8,049		8,049	8,049	
Intakes 691,317 - 691,317 69 Ind Tunnels 51,082 - 51,082 59 Indeprine 573,086 (309,456) 263,610 286 Indipipe 1,454,518 (596,352) 858,166 85 Indipipe 1,454,518 (596,352) 858,166 85 Indipipe 1,454,334 - 2,343,549 - 2,343,549 2,344 Indipipe 1,454,334 - 2,343,549 2,344 Indipipe 1,454,334 - 154,334 154,334 Indipipe 1,454,18 - 1,44,718 118,224 Indipipe 1,4718 - 1,47,18 Indipipe 1,4718 - 1,47,18 Indipipe 1,544,518 (927,113) \$ 5,318,333 \$ 5,318,334 \$ 5,318,333 \$ 5,318,333 \$ 5,318,333 \$ 5,318,333 \$ 5,318,333 \$ 5,318,333 \$ 5,318,333 \$ 5,318,333 \$ 5,318,333 \$ 5,318,333 \$ 5,318,333 \$ 5,318,333 \$ 5,318,333 \$ 5,318,333 \$ 5,318,333 \$ 5,318,334 \$ 5,318,333 \$ 5,318,333 \$ 5,318,333 \$ 5,318,333 \$ 5,318,333 \$ 5,318,333 \$ 5,318,333 \$ 5,318,333 \$ 5,318,333 \$ 5,318,333 \$ 5,318,333 \$ 5,318,333 \$ 5,318,333 \$ 5,318,333 \$ 5,318,333 \$ 5,318,334 \$ 5,318,333 \$ 5,318,334 \$ 5,318,334 \$ 5,318,334 \$ 5,318,334 \$ 5,318,334 \$ 5,318,334 \$ 5,318,334 \$ 5,318,334 \$ 5,318,334 \$ 5,31		Collecting and Impounding Res.	•	•	•		
d Tunnels 691,317 691,317 691,317 691 691 691 691,317 691 691,317 691,		Lake River and Other Intakes		•	,	•	
ind Tunnels 151,082 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5		Wells and Springs	691,317	•	691,317	691,317	
pment 51,082 - 51,082 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5		Infiltration Galleries and Tunnels	•	•		•	
### 1,082		Supply Mains					
pment print 573,066 (309,456) 263,610 26 50 50 50 50 50 50 50 50 50 50 50 50 50		Power Generation Equipment	51,082	•	51,082	51,082	
pment 573,066 (309,456) 263,610 26 t		Electric Pumping Equipment	•	•	•	•	
bevices (596,352) 858,166 85 adolphe 1,454,518 (596,352) 858,166 85 518,785 - 2,343,549 - 2,343,549 518,785 518,785 518,785 518,785 518,785 518,785 518,785 518,785 518,785 518,785 518,785 51318,		Water Treatment Equipment	573,066	(309,456)	263,610	263,610	
aders ndpipe 1,454,518 (596,352) 858,166 85 and 2,343,549 - 2,343,549 2,34 5,18,785 - 154,334 15 1,44,334 - 154,334 15 are 8,224 - 208,018 208,018 are 8,224 - 208,018 are 8,224 - 208,018 are 14,718 - 14,718 pment 18,224 - 6,124 pment 6,124 - 6,124 - 5,318,333 \$ 5,318	320.1	Water Treatment Plant	•	•	•	•	
ndpipe 1,454,518 (596,352) 858,166 85 14,454,518 (596,352) 858,166 85 14,434 2,34 2,349 2,344 15,4,334 -	320.2	Chemical Solution Feeders	•	,		ı	
2,343,549 2,343,549 2,343,549 2,344,544,549 2,344,549 2,344,549 2,344,549 2,344,549 2,344,549 2,344,544,549 2,344,549 2,344,549 2,344,549 2,344,549 2,344,549 2,344,54		Dist. Reservoirs & Standpipe	1,454,518	(596,352)	858,166	858,166	
2,343,549 2,343 8,185 61 154,334 154 208,018 208,018 208,018 208,018 208,018 208,018 208,018 208,018 208,018 2,824 651 2,856 2,856 3,836 2,856 3,836 3		Storage tanks	4		ı	•	
s 2,343,549 - 2,343,549 2,34 518,785 - 518,786 51 154,334 - 154,334 15 208,018 - 208,018 20 208,018 - 208,018 20 Equip. 5,752 - 208,018 20 are	330.2	Pressure Tanks	•	•	•	٠	
518,785 518,785 511,785 511,785 511,785 511,785 511,785 511,785 511,785 511,785 511,785 511,785 511,785 511,785 511,785 511,785 511,785 511,718 511,71		Trans, and Dist. Mains	2,343,549	•	2,343,549	2,343,549	
154,334 154,334 154,334 15 Devices		Services	518,785	•	518,785	518,785	
208,018		Meters	154,334	•	154,334	154,334	
Equip. 651 651 651 651 651 651 651 651 651 651		Hydrants	208,018	1	208,018	208,018	
Equip. 651 651 651 651 ixtures 5,752 . 5,752 are 8,224 . 8,224 are 1,4,718 . 14,718 . 14,718 . 14,718 . 18,224 . 18,224 . 18,224 . 18,224 . 18,224 . 18,224 . 18,224 . 12,24 . 18,224 .		Backflow Prevention Devices	•	•	•		
are 6,752 5,752 are are 8,224 a.824 a.836		Other Plant and Misc. Equip.	651	•	651	651	
are 8,224 8,224 8,224		Office Furniture and Fixtures	5,752	•	5,752	5,752	
nent 8,224 - 8,224 3,836 - 3,836 3,836 - 2,856 3,836 - 2,856 3,836 - 2,856 3,836 3,836 - 3,836 3,836	340.1	Computers and Software		•			
3,836 - 3,836 2,886 - 2,856 2,856 - 14,718 3,718 - 14,718 5,224 - 18,224 5,124 - 6,124 5,318,333 \$		Transportation Equipment	8,224	ı	8,224	8,224	
2,856 - 2,656 14,718 - 14,718 ment 18,224 - 18,224 pment 6,124 - 6,124 6,124 Service \$ 6,245,446 \$ (927,113) \$ 5,318,333 \$		Stores Equipment	3,836	,	3,836	3,836	
ment 16,224 - 14,718 pment 6,124 - 6,124 lent 6,124 - 6,124 S 6,245,446 \$ (927,113) \$ 5,318,333 \$		Tools and Work Equipment	2 856	•	2,856	2.856	
rated Equipment 18,224 - 18,224 attions Equipment 6,124 - 6,124 ible Plant in Plant-in-Service in-Service EDULES		l aboratory Folioment	14.718	,	14,718	14,718	
Service		Down Operated Foreignment	18 224	,	18 224	18.224	
Service 6,124 - 6,124 - 6,124 - 6,124 - 6,245,446 \$ (927,113) \$ 5,318,333 \$		Power Operation Equipment	743°	•	<u>.</u>		
S 6,245,446 \$ (927,113) \$ 5,318,333 \$ -Service		COMMISSIONS Equipment	- A 174		6 124	6 124	
\$ 6,245,446 \$ (927,113) \$ 5,318,333 \$ -Service		Miscellaneous Equipment Other Tennible Diant	F 7 '	, •	<u>.</u>		
\$ 6,245,446 \$ (927,113) \$ 5,318,333 \$ -Service			ı	ı			
Service		TOTALS	6.245.446	(927,113)	5,318,333	\$ 5,318,333	
ise (decrease) in Plant-in-Service ment to Plant-in-Service ORTING SCHEDULES and 3.4.3.14)	(2)			
se (decrease) in Plant-in-Service ment to Plant-in-Service <u>DRTING SCHEDULES</u> signs 3 4.3 14							
e (decrease) in Plant-in-Service nent to Plant-in-Service <u>PRTING SCHEDULES</u> ges 3							
nent to Plant-in-Service DRTING SCHEDULES ges 3 4.3 11	w	e (decrease) in Plant-in-Service				'	
DRTING SCHEDULES ges 3 nas 3 4.3 11		nent to Plant-in-Service					
DRTING SCHEDULES ges 3							
20 - 2 - 3 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1		ORTING SCHEDULES					
		8-2, pages 3,4-3.11					

Page 3.4 Witness: Bourassa

Exhibit Schedule B-2

Unadjusted Plant Balance

Non-Depr. or Fully Depr. Plant Depreciable Plant Depreciation Expense Composite Depreciation Rate

2,338,525 (140,831) 2,197,694 29,681 1,35%

Adjusted				1					1				
Descrition Paper can be address Address Plant Retenentation of the England Plant Standage Understand Cabitaled of the England <	ž	4RUC	ANOWED	132		Adjusted	× 50	:	Describe.			i	A 4.00
Organization Cost Color Fall Ebodes Addisinnents Addisinnents Addisinnents Addisinnents Addisinnents Addisinnents Addisinnents Addisinnents Addisinnents ADD DIV Californations Franchise Cost 0.00% 3.2757 3.174 3.174 3.174 4.8 899	á	count	Deprec	Additions	Plant	Plant	Retirements	Retirement	Plant	Salvage	Cepreciation	Flant.	Acculin.
Organization Coeff 0.00% 1.861 1.861 2.2521 2.2521 2.2521 2.16 4			Rate	(Per Books)	Adjustments	Additions	(Per Books)	Adjustments	Retirements	A/D Only	(Calculated)	Bajance	<u>Debrec</u>
Franchise Cost Cook		-	0.00%			1.861			,		,	54,297	
Sinch Calleries 2,00% 3,174 3,174 4		_	0.00%			22.521						78,106	
Sinchlares & Improvements 3.174 3.174 3.174 215 4 215 4 4 4 2.25 4 8.99 4.8,899 4.8,899 2.03 4 4 4.25 2.03 4 4.8,899 2.03 2.03 4.03 2.03<	. *	-	0000			•						32.810	
Objecting & Importating Reservoirs 2.93% 48,889 48,889 43,889 43,524 43,5	. •		2000			2174					215	8 049	296
Collecting & Impounding Reservoirs 2.50% (48,899 48,899 48,899 2.50% (48,899 48,899 2.50% (48,899 48,899 2.50% (48,899 48,899 2.50% (48,899 2.50% (48,899 2.50% 2.34% 2.50% (48,899 2.50% 2.34% 2.50% (48,899 2.50% 2.33% 2.50% (48,750 2.50% 2.33% 2.50% (48,750 2.50% 2.33% 2.50% (48,750 2.50% 2.33% 2.50% 2.50% 2.33% 2.50	•		6.55.3			1					2	17.4	7
Lable River, Carall Inlakes 2.35% As 899 48,899 23,752 205		_	2.50%								4	ŧ.	-
Wells & Springs 48,889 48,889 48,889 23,752 Raw Water Springs 3,33% 48,889 48,889 2005 Raw Water Supply Mains 2,00% 2,00% 2,34 Pumping Equipment 3,33% 351,455 351,455 2,24 Water Treatment Paints 2,00% 1,287,731 168,750 9,070 Solution Chemical Feeders 2,00% 1,287,319 1,287,319 1,4579 Solution Chemical Feeders 2,00% 1,287,319 1,287,319 1,287,319 Solution Chemical Feeders 2,00% 1,287,319 1,287,319 1,287,319 Solution Chemical Feeders 2,00% 1,287,319 1,287,319 1,287,319 Answered and Feeders 2,00% 1,287,319 1,287,319 1,287,319 Services 3,00% 1,287,319 1,287,319 1,287,319 Services 3,00% 1,287,319 1,287,319 1,287,319 Services 3,00% 1,287,319 1,287,319 1,287,319 Office Furnitive & Equipme		_	2.50%			,			,		•		. ;
Fig. 2004	•	_	3.33%			48,899			,		23,752	737,719	35,221
Power Capturent 2,00% 2,34	. *		A B 70%			,					205	3,068	307
Power Desired Equipment 2.00% 351,455 351,455 351,455 351,455 354,655 351,475 351,475 </td <td>٠,</td> <td></td> <td>200</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>163</td> <td>8 169</td> <td>245</td>	٠,		200								163	8 169	245
Pumping Cautiment 5,00% 2,504 Pumping Equipment 12,60% 351,455 351,455 9,010 Water Treatment Equipment 3,33% 361,455 351,455 9,010 Water Tangible Plank 2,20% 168,750 168,750 145,79 Dishibution Resenoirs & Standpies 2,22% 168,750 145,79 30,417 Pressure Tanks 2,00% 1,297,319 1,297,319 1,297,319 1,277 Pressure Tanks 2,00% 1,297,319 1,297,319 1,297,319 1,277 Meters 3,33% 286,470 2296,470 286,470 286,470 286,470 Hydrants 3,33% 286,470 286,470 286,470 286,470 286,470 Hydrants 4,00% 122,807 122,807 122,807 122,807 Backlware 2,00% 122,807 122,807 122,807 122,807 Computers & Software 2,00% 3,063 3,063 3,063 3,063 Tools, Shop & Garage Equipment	•		2.00%			•					700	000 7	25.1
Pumpling Equipment 12.50% 361,455 351,456 9010 Water Treatment Parists 3.33% 361,455 351,456 9010 Water Treatment Parists 2.00% 168,750 168,750 304,17 Disribution Chemical Feeders 2.22% 168,750 168,750 30,417 Biorage Tanks 2.22% 1.287,319 1,287,319 14,579 Pressure Tanks 2.00% 1,287,319 1,287,319 1,4579 Services 3.00% 1,287,319 1,287,319 1,287,319 Services 3.00% 1,287,319 1,287,319 1,287,319 Meters 4.00min Recorded Paristration Devices 6.67% 6.2,390 1,228 Backflow Prevention Devices 6.67% 6.15 6.15 2.3 Gothice Funiture & Equipment 6.67% 3,063 3,063 3,24 Computers & Software 20,00% 8,224 8,224 8,224 Stores Equipment 10,00% 18,224 18,224 1,472 Power Operated Equipme	.,		5.00%								734	900,	3
Welter Treatment Equipment 3.33% 351,455 351,455 9.010 Water Treatment Equipment 2.33% 351,455 351,455 9.010 Solution Charmonal Peaders 2.00% 168,750 168,750 14,579 Solution Charmonal Peaders 2.22% 168,750 168,750 14,579 Stranger Tanks 2.00% 1,287,319 1,297,319 1,297,319 Franchission & Distribution Mains 2.00% 1,287,319 1,297,319 1,4579 Services 3.33% 26,470 296,470 296,470 296,470 296,470 2,296,470 3,629 Hydrants Backflow Pevention Devices 6,57% 6,57% 6,57% 6,57% 3,623 3,162 Backflow Pevention Devices 6,67% 3,053 6,15 6,15 2,38 3,162 Backflow Pevention Devices 6,7% 3,053 3,063 3,063 3,162 4,34 Stores Equipment 20,00% 3,224 8,224 8,224 1,47 Fower Operated Equipment </td <td></td> <td></td> <td>12.50%</td> <td></td>			12.50%										
Water Treatment Plants 3.33% 9.33% Water Treatment Plants 3.33% 168,750 168,750 30,417 Solution Chemical Feeders 2.00% 1.287,318 1.297,319 1.4579 Storage Tanks 2.22% 1.287,318 1.297,319 1.4579 Passure Tanks 2.00% 1.287,318 1.297,319 1.4579 Services 3.33% 266,470 296,470 296,470 Meters 4346 2.23% 2.23% 4,948 Services 4.00% 1.2.307 1.2.307 1.2.29 Holdrey Plant & Misc Equipment 6.67% 3.063 3.063 2.2.4 Office Fundine & Equipment 2.0 00% 8.224 8.224 8.224 Stores Equipment 2.0 00% 8.224 8.224 8.224 Stores Equipment 1.0 00% 1.8.224 1.8.224 4.56 Power Operator Equipment 1.0 00% 1.8.224 4.56 Coher Tangble Plant 4.00% 1.8.224 1.8.224 4.56 </td <td>**</td> <td></td> <td>3.33%</td> <td>351,455</td> <td></td> <td>351,455</td> <td></td> <td></td> <td>,</td> <td></td> <td>9,010</td> <td>446,292</td> <td>10,589</td>	**		3.33%	351,455		351,455			,		9,010	446,292	10,589
Solution Chemical Feeders 20.00% 168,750 168,750 30,417 Passure Tanks 2.22% 168,750 148,750 14,579 Passure Tanks 2.22% 1.297,319 1,297,316 14,579 Passure Tanks 5.00% 1.297,319 1,297,316 14,579 Services 8.33% 122,807 226,470 226,300 Metars 12.2807 12.2807 12.2807 Hydrants 2.00% 12.2,807 12.2807 Hydrants 2.00% 12.2,807 12.2807 Hydrants 2.00% 12.2,807 12.2807 Office Fumiture & Equipment 6.67% 3.063 2.24 Office Fumiture & Equipment 20.00% 8.224 8.224 Stores Equipment 20.00% 3.836 3.836 Stores Equipment 10.00% 3.836 3.836 Stores Equipment 10.00% 18.224 14,772 Power Operated Equipment 10.00% 18.224 14,772 Power Operated Equipment </td <td>ď</td> <td></td> <td>3 33%</td> <td></td> <td></td> <td>•</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	ď		3 33%			•							
Distribution Results Feature 2.22% 168,750 168,750 30,417 Storage Tanks 2.22% 168,750 14,579 Storage Tanks 5.00% 1,297,319 1,297,319 1,4579 Fransural Tanks 3.33% 296,470 296,470 1,297,319 Services 3.33% 296,470 296,470 296,470 Services 3.33% 296,470 296,470 296,470 Backflow Prevention Devices 6.67% 6.12,807 1.22,807 1.22,807 Backflow Flain & Misc Equipment 6.67% 3.063 3.063 2.22 Computation Equipment 2.0,00% 8.224 8.224 2.24 Stores Equipment 5.00% 18,224 1.43 Computation Equipment 10,00% 3.636 1.82 Comment	0		2000			•							
Storage Tanks 2.22% 100,730 100,730 14,579 14	o'		2000	465 465		787 027					30.417	1 454 518	44 689
Storage Fanks 2.22% 1.297,319 1,297,316 1,4579 Franshission & Distribution Mains 2.00% 1,297,319 1,297,316 14,579 Services 5ervices 2.00% 1,297,319 1,297,316 14,579 Services 8.33% 226,470 226,470 266,470 4,648 Services 8.33% 62,390 62,390 1,228 3,122 Hydrants 8.200 122,807 1,228 3,122 1,228 Backflow Prevention Devices 6,67% 6,15 6,15 2,390 2,390 2,390 2,390 2,390 2,380 </td <td></td> <td></td> <td>77.77</td> <td>00,00</td> <td></td> <td>3</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>			77.77	00,00		3							
Pressure Tanks D00% 1,297,319 1,297,319 1,4579 Services 256,470 256,470 256,470 259,470 4,949 Services 8,33% 62,390 122,807 1,229 1,182 Meters 8,33% 62,390 1,22,807 1,229 1,182 Meters 8,33% 62,390 1,22,807 1,229 1,182 Meters 8,33% 6,2390 1,22,807 1,229 1,122 Backflow Prevention Devices 6,67% 6,12 6,12 2,122 2,182 Christ Flant & Misc Equipment 6,67% 3,663 3,633 2,38 2,38 Computers & Equipment 20,00% 8,224 8,224 8,224 8,224 143 Tools Stores Equipment 10,00% 18,224 1,432 1,432 1,432 Laboratory Equipment 10,00% 18,224 1,432 1,432 1,432 Communication Equipment 10,00% 18,224 1,432 1,432 1,432 <td>ľζ</td> <td></td> <td>2.22%</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>•</td>	ľζ		2.22%										•
Transmission & Distribution Mains 2.00% 1,297,319 1,297 3,182	3		5.00%										. !
Services 3.33% 296,470 266,470 266,470 4,948 Metrans 3.33% 62,390 62,390 122,807 1,228 Backflow Preventian Devices 6,67% 122,807 122,807 1,228 Backflow Preventian Devices 6,67% 6,67% 6,67% 2,00% Other Plant & Misc Equipment 6,67% 3,063 3,063 2,23 Computer & Schware 20,00% 8,224 8,224 822 Transportation Equipment 4,00% 3,836 3,836 143 Solos 6,67% 3,836 3,836 143 Laboratory Equipment 10,00% 18,224 18,224 143 Communication Equipment 10,00% 18,224 18,224 456 Miscallaneous Equipment 10,00% 10,00% 10,00% 10,00% Miscallaneous Equipment 4,00% 10,00% 10,00% 10,00%	.,		2.00%	~		1,297,319					14,579	1,377,610	15,382
Hydrants	•		3.33%			296 470					4,948	296,828	4,954
Hydrants	41		8.33%			62,390					3,182	066,69	3,473
Backflow Prevention Devices 6.67% (615) 615 23 Other Plant & Misc Equipment (6 67% (615)) 6.67% (615) 6.67% (615) 2.38 Other Plant & Misc Equipment (6 67% (615)) 3.063 (615) 3.063 (615) 2.38 Computers & Software (610) 20.00% (615) 8.224 (615) 8.224 (615) Stokes Equipment (610) 4.00% (616) 3.836 (616) 1.43 Laboratory Equipment (610) 10.00% (616) 18.224 (616) 1.472 Communication Equipment (610) 10.00% (616) 1.8.224 (616) 1.432 Miscellaneous Equipment (700) 10.00% (710) 1.00% (710) 1.00% (710) Other Tangible Plant (700) 1.00% (710) 1.00% (710) 1.00% (710)			2.00%			122,807			•		1,228	122,807	1,228
Other Plant & Misc Equipment 6.67% 615 615 23 Office Furniture & Equipment 6.87% 3.063 3.063 238 Computers & Software 20.00% 8.224 8.224 8.224 Stores Equipment 4.00% 3.836 3.836 77 Stores Equipment 5.00% 18,224 143 Laboratory Equipment 5.00% 18,224 143 Laboratory Equipment 5.00% 18,224 1472 Communication Equipment 10.00% 18,224 15,224 Communication Equipment 10.00% 10.00%	•		8.67%			,							
Office Frain & Gardine & Equipment 6.7% 3.063 3.063 2.38 2.38 2.38 2.38 2.38 2.38 2.38 2.3	•		A 87%			615					23	651	24
Computer & Software Computer	- '		2 600			000					250	5 107	307
Computers & Software 20,00% 8,224 8,224 822 Since Equipment 4,00% 3,836 3,836 77 Tools, Shop & Garage Equipment 5,00% 18,224 18,224 18,224 Communication Equipment 10,00% 18,224 18,224 456 Miscellaneous Equipment 10,00% 10,			0.0/%			200.5					7	5	
Transportation Equipment 20,00% 8,224 8,224 8224 8224 8224 8224 8224 82	S		20.00%										, 6
Stores Equipment 4,00% 3,836 3,836 77 77 77 77 77 77 77		_	20.00%			8,224					822	8.224	822
Tools, Shop & Garage Equipment 5.00% 18,224 18,224 18,224 16,224 16,00% 18,224 16,00% 18,00	- 1	٠.	4 00%			3,836					77	3,836	11
Laboratory Equipment 10,00% 18,224 18,224 456 Communication Equipment 10,00% 18,224 18,224 456 Communication Equipment 10,00%		_	5.00%			٠					143	2,856	214
Developer y Equipment 5 00% 18,224 18,224 456 Communication Equipment 10 00% Miscellaneous Equipment 10 00% Other Tangible Plant 4 00%	•	_	10.00%			٠					1.472	14.718	2,208
Power Operated Equipment 10 00% 18,224 10,22	- '		200.0			700					456	18 224	456
Communication Equipment 10 00% Miscellaneous Equipment 10 00% A 00% A 00%			5.00%			18,224					97	144	3
Miscellaneous Equipment 10 00% A 00%		_	10.00%			•							
Other Tangible Plant 4 00%		_	10.00%										
		-	4 00%								1		
897				900 000		2 409 A0B				-	Q1 16P	4 748 133	120,849

Unadjusted Plant Balance Non-Dept. or Fully Dept. Plant Deprectable Plant Deprectation Expense Composite Deprectation Rate

4,748,133 (165,213) 4,582,920 91,168 7,99%

Red Rock Utilities - Water Division Plant Additions and Retirements

Exhibit Schedule B-2 Page 3.6 Witness: Bourassa

								2002					
	NARUC	21	Allowed	Plant		Adjusted	Plant		Adjusted				
Line	Account	ii ii	Deprec	Additions	Plant	Plant	Retirements	Retirement	Plant	Salvage	Depreciation	Plant	Accum.
2	₽	Description	Rate	(Per Books)	Adjustments	Additions	(Per Books)	Adjustments	Relirements	A/D Only	(Calculated)	Balance	Deprec.
-	5	Omanization Cost	%000									54,297	,
. 0	9		8000	17,130		17,130			•			95,236	,
1 (3 5		800	1								32,810	,
۷ م	5		333%								268	8.049	564
r ce	Š		200								4	174	-
» и	3 8		2508			٠							
) t	3 5	-	2020						•		24.56B	737 719	59.787
٠ ،	3 8		200			•					200,	880 6	513
0 0	2 2		2000			•			•		183	0000	808
ກ :	200		8 20 2						•		3 6	0,10	200
ç	310		200%								234	4,680	CBC
F	31		12.50%			,			•		• !	. !	. !
겉	88	Š	3,33%	43,665		43,665			į		15,589	489,957	26,177
5	320.1	 Water Treatment Plants 	3.33%										,
4	320.2	2 Salution Chemical Feeders	20.00%										,
5	330	Distribution Reservoirs & Standpipes	2.22%								32,290	1,454,518	76,979
92	330.1		2.22%						•		•		
4	330.2		5,00%			٠			•				•
æ	ន	Transmission & Distribution Mains	2.00%			1			•		27,552	1,377,610	42,934
Ð	333	Services	3.33%								9,884	296,828	14,838
20	334		8.33%	40,572		40,572					7,470	109,962	10,943
21	335	Hydrants	2.00%	848		848			į		2,465	123,655	3,693
ដ	336	Backflow Prevention Devices	6.67%			٠			1		•		,
ន	339	Other Plant & Misc Equipment	6.67%								4	651	68
54	8	Office Furniture & Equipment	6.67%								341	5,107	647
22	340.1	1 Computers & Software	20.00%										,
X	84	Transportation Equipment	20.00%			•			•		1,645	8,224	2,467
23	342		4.00%			•			1		153	3,836	230
80	343		2 00%								143	2,856	357
ę	344		10.00%								1,472	14,718	3,680
8	345		5.00%								911	18,224	1,367
l E	346		10.00%			•			•			,	r
32	347		10.00%			•			•		•		١,
33	348		4.00%			,			1			,	•
34													
8		SISTOT		102 215		102 245				,	125,399	4.850.348	246.248
3				2,77									

Unadjusted Plant Balance Non-Depr. or Fully Depr. Plant Deprecable Plant Deprecation Expense Composite Depreciation Rate

4,850,348 (182,343) 4,668,005 125,399 2,69%

Red Rock Utilities - Water Division Plant Additions and Retirements

Exhibit Schedule B-2 Page 3.7 Witness: Bourassa

								2009	3				
	NARUC	Oli C	Allowed	Plant		Adjusted	Plant		Adjusted				
ä		ţ	Deorec	Additions	Plant	Plant	Retirements	Retirement	Plant	Salvage	Depreciation	Plant	Accum
2		Description	Rate	(Per Books)	Adjustments	Additions	(Per Books)	Adjustments	Retirements	A/D Only	(Calculated)	Balance	Deprec.
*	Ş	Organization Cost	%000			,					ı	54.297	ı
٠ -	ş Ş		2000			٠			•		,	95,236	•
3 6	3 5		%000								,	32,810	•
> <	3 5	_	8000	11 835		11 835					465	19,884	1,029
· 4	36		2.50%								7	174	15
) (C	308		2.50%								•	•	•
٠.	30	_	3 33%			•					24,586	737,719	84,353
٠ 🗠	808		6.67%			*					205	3,068	716
3 0	8 6		2.00%			•					163	8,169	572
٠ 6	310		2,00%			•			٠		234	4,680	819
Ŧ	3		12.50%			•			į		•	•	,
7				83,109		83,109			•		17,699	573,066	43,877
5	٠,		3.33%								1	•	
7	320.2	.2 Solution Chemical Feeders	20.00%						•		•		•
5		S							1		32,290	1,454,518	109,270
9			2.22%			•			į		•	,	
17			5.00%									,	•
5		Ē	2.00%	957,597		957,597			•		37,128	2,335,207	80,062
5	333	3 Services	3.33%	221,957		221,957			•		13,580	518,785	28,418
8	8	4 Meters	8.33%	15,996		15,996			•		9,826	125,958	20,769
7	335	5 Hydrants	2.00%	84,363		84,363					3,317	208,018	600'2
23	336	5 Backflow Prevention Devices	6.67%						,				,
ន		Other Plant & Misc Equipment	6.67%								43	651	-
24	8		8289	645		645			ı		362	5,752	1,009
23		_	20.00%			٠			•			. ;	
28	¥	1 Transportation Equipment				į					1,645	8,224	4,112
27	342	•	4.00%			•			•		153	3,836	384
8											143	2,856	200
8			10.00%			•			•		1,472	14,718	5,151
8		_	9.00%			ı			ı		911	18,224	2,278
9		_	10.00%			•			•			,	•
8	347	_	10.00%								,		•
33	348	8 Other Tangible Plant	4.00%									ı	•
8 8													
8 8		TOTALS		1,375,502		1,375,502	,		1		144,208	6,225,850	390,456

Unadjusted Plant Balance Non-Depr. or Fully Depr. Plant Deprecable Plant Deprecation Expense Composite Depreciation Rate

6,225,850 (182,343) 6,043,507 144,208 2,39%

								01.07	2				
L	NARUC	COC	Allowed	Plant		Adjusted	Plant		Adjusted				
2		runt	Deprec.	Acklitions	Plant	Plant	Retirements	Retirement	Płant	Salvage	Depreciation	Plant	Accum.
ģ		Description	Rate	(Per Books)	Adjustments	Additions	(Per Books)	Adjustments	Retirements	A/D Only	(Calculated)	Balance	Deprec
_	301	1 Organization Cost	0.00%			•			,		•	54,297	,
7	302		0.00%			٠			•			95,236	•
e	303	Ξ	0.00%			•			•			32,810	
4	304		3.33%			•			,		662	19,884	1,692
מי		-	2.50%			,			•		4	174	20
9		_	2.50%			•			•		•	•	i
r~		_	3.33%			٠			•		24,566	737,719	108,919
			6.67%								205	3,068	921
o		_	2.00%								163	8.169	735
2	310		5.00%						•		234	4,680	1,053
-	311		12.50%			•			,		•		•
<u>'</u> '			3.33%			•					19,083	573,066	62,960
¥	320.1		3.33%			•			,				•
7	1 320.2	3.2 Solution Chemical Feeders	20.00%										•
15		Ö	2.22%			٠			•		32,290	1,454,518	141,560
~	330.1	1.1 Storage Tanks	2.22%			•			,		•		•
Ψ.			5.00%			•			,			•	,
~		1 Transmission & Distribution Mains	2.00%						•		46,704	2,335,207	126,766
₩.		3 Services	3.33%			•					17,276	518,785	45,694
ম —	334		8.33%	5,384		5,384			1		10,717	131,342	31,486
Ñ	335	5 Hydrants	2.00%			•			í		4,160	208,018	11,170
۲,			6.67%			•					•		•
N		9 Other Plant & Misc Equipment	6.67%								43	651	154
24	340		6.67%			•			•		384	5,752	1,393
ಸ	340.1	1.1 Computers & Software	20.00%			•			•		•	•	,
ಸ	8		20.00%			•					1,645	8,224	5,757
સ	7 342	2 Stores Equipment	4.00%			•					153	3,836	537
ಗ	343		5.00%			•			•		143	2.856	643
8		_	10.00%			•			1		1,472	14.718	6,623
್			5.00%			•					911	18,224	3,189
'n			10.00%			•			i		•	٠	•
'n		7 Miscellaneous Equipment	10.00%			•			•		,		
8		_	4.00%			,							
8 %	T												
• ਨ 		TOTALS		5,384	,	5,384				-	160,816	6,231,234	551,271

6,231,234 (182,343) 6,048,891 160,816 2.86%

Unadjusted Plant Balance Non-Depr. or Fully Depr. Plant Depreciable Plant Depreciation Expense Composite Depreciation Rate

								8	<u></u>				
	NARUC	OC.	Allowed	Plant		Adjusted	Plant		Adjusted				
Line	Account	urt	Deprec.	Additions	Plant	Plant	Retirements	Retirement	Plant	Salvage	Depreciation	Plant	Accum.
Š	Š	<u>Description</u>	Rate	(Per Books)	Adjustments	Additions	(Per Books)	Adjustments	Retirements	A/D Only	(Calculated)	Balance	Oeprec.
-	9	1 Organization Cost	0.00%									54,297	•
7	305		0.00%			•			•		,	95,236	•
ო	303	_	0.00%						•		,	32,810	•
4	304		3.33%		(11,835)	(11,835)					465	8,049	2,157
w	305	-	2.50%		(174)	(174)					2		22
ဖ	306		2.50%		•	. •			•		,	1	•
۲-	307	_	3.33%		(46,402)	(46,402)					23,793	691,317	132,712
æ	308		6.67%		(3,068)	(3.068)			•		102	,	1,023
თ	8	_	2.00%		(8, 169)	(8,169)					82	•	817
5	310		5.00%		46,402	46,402					1.394	51,082	2,447
Ξ	31		12.50%			•					•	•	į
2	320		3,33%			,					19,083	573,066	82,043
<u></u>	320.1		3.33%			,					•		
7	320.2	.2 Solution Chemical Feeders	20.00%			,						,	
5	88	Ö	2.22%			•					32,290	1,454,518	173,850
2	3301		2.22%			•			•		•	ı	•
1	330.2		5.00%			•			,		•	•	•
φ	33	Ī	2.00%		8,342	8,342			,		46,788	2,343,549	173,554
Ó	333		3.33%								17,276	518,785	62,970
8	334		8.33%	5,084		5,084			,		11,153	136,426	42,638
전	335		2.00%			. •			•		4,160	208,018	15,330
22	336	6 Backflow Prevention Devices	6.67%						•		,	•	•
23	339	_	6.67%								43	651	198
54	340	_	6.67%								384	5,752	1,777
25	240		20.00%			,			•			•	•
8	341	1 Transportation Equipment	20.00%			,			•		1,645	8,224	7,402
22	342	2 Stores Equipment	4.00%			,			•		153	3,836	069
28	343	•	5.00%						•		143	2,856	282
29	346		10.00%		•	,			•		1,472	14,718	8,095
8	345		5.00%						•		911	18,224	4,100
8 6	346		10.00%			•			•		•	•	•
8	347		10.00%										•
33	348	_	4 00%			,					,		,
8 8													
9 8		TOTALS		5.084	(14,904)	(9,820)	-	,			161,339	6,221,414	712,611

6,221,414 (182,343) 6,039,071 161,339 2,67%

Unadjusted Plant Balance Non-Depr. or Fully Depr. Plant Depredatile Plant Depredation Expense Composite Depreciation Rate

Red Rack Utilities - Water Division Plant Additions and Retirements

Exhibit Schedule B-2 Page 3.10 Witness: Bourassa

MACHING MACHING Machine Mach									2102					
Account	Z	ARUC	(1	Allowed	Plant		Adjusted	Plant		Adjusted				
No. Descrições Descrições Descrições Adjustments ADGONIV (Calculatest) Balance Descrições Descrições Calculatest Calcula		Ci loco	1 7	Deprec.	Additions	Piant	Plant	Retirements	Retirement	Plant	Salvage	Depreciation	Plant	Accum.
201 Organization Costs 0.000%		身		Rate	(Per Books)	Adjustments	Additions	(Per Books)	Adjustments	Retirements	A/D Only	(Calculated)	Balance	<u>Deprec.</u>
Section Comparison Compar		5		78000									54.297	•
3.02 Franchisted and Land Rights LOWN 2.00 <t< td=""><td>- 1</td><td>ş ;</td><td>Organization Cost</td><td>2000</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>95,236</td><td>•</td></t<>	- 1	ş ;	Organization Cost	2000									95,236	•
203 International Equations of American Equations of American Equations (Applications 200%) 0.00%	N	305	Franchise Cost	8.00.0			•						25 810	•
304 Calculutine & Improvements 3.23% <	ო	g	Land and tand Rights	8000								. :	010,20	
305 Collecting & Impounding Reservoirs 2.90% bits and	₹	30,	Structures & Improvements	3.33%			•					268	8,049	2,425
3.06 Level Canal Intidies 2.50% 3.06 Level Canal Intidies 2.50% 1.7 1.5 3.08 Privation Calelense 2.50% 2.50% 2.50% 3.0	u.	305	Callecting & Impounding Reservoirs	2.50%						•			•	22
307 Wales & Schrings 65.73% 5.32% 691.317 115 308 Infilation Calledinis 6.57% 5.00% 7.00%	· (C	305	Lake River Canal Intakes	2.50%									•	
39 Infiltration Gallenies 657% 100%	۸ (307	Wells & Springs	3 33%								23,021	691,317	155,733
309 Raw Water Supply Mains 2 00% 5 1092 310 Power Geraration Equipment 5 00% 5 10 90 16 00% 5 10 90 311 Purple Claument Equipment 3 33% 3 33% 5 10 90 1 454 68 1 6 10 8 2 10 8 2 10 8 2 10 8 2 10 8 2 10 8 2 10 8 2 10 8 2 10 8 2 10 8 2 10 8 2 10 8 2 10 8 2 10 8 2 10 8 3 10 8 3 10 8	- 0	3 6	Infiltration Gallacies	5.62% F.67%			•			•		•	•	1,023
10		3 8	Committee Company (Company)	2000			•					•	•	817
10 Power Parameter Page Pag	n (2 6	Naw weder puppy wants	2.00%						•		2.554	51.082	5.001
19,083 573,086 10 19,084	2∶	2 ;	Fower Generation Equipment	0.00%			•							•
320 Malar Transforment Equipment 3.33% 320 Malar Transforment Equipment 3.33% 320 Value Transforment Equipment 3.33% 30 Distribution Mains 2.00% 30.1 Should Chemical Feeders 2.22% 30.1 Should Chemical Feeders 2.22% 30.1 Transmission & Distribution Mains 2.00% 3.33 Personance and Processor & Sandoples 3.00% 3.33 Personance and Processor & Sandoples 3.00% 3.24% 3.34 Melens 3.35 Melens 3.35 Melens 4.66 FT 2.343.549 2.2 3.35 Melens 3.35 Melens 3.35 Melens 4.60 Zeo 200.08 4.35 Zeo 200.08 4.35 Zeo 200.08 3.4 Melens 3.5 Edulpment 6.67% 6.67% 4.35 Zeo 200.08 4.35 Zeo 200.08 4.35 Zeo 200.08 3.4 Transportation Equipment 6.67% 6.75 Zeo 200.08 8.224 4.35 Zeo 200.08 8.224 3.4 Laboratory Equipment 5.00% 6.124 6.124 6.124 6.124 6.124 6.124 3.4 Laboratory Equipment 6.00% 6.124 6.124 6.124 6.124 <t< td=""><td>Ξ</td><td>311</td><td>Pumping Equipment</td><td>%0C.2L</td><td></td><td></td><td>•</td><td></td><td></td><td>•</td><td></td><td>10000</td><td>873 068</td><td>101 138</td></t<>	Ξ	311	Pumping Equipment	%0C.2L			•			•		10000	873 068	101 138
320.1 Value Trainment Plants 333% 320.2 Southor Chairment Plants 20.00% 320.2 Southor Chairment Plants 2.22% 3.33% 2.22% 3.25% 1.454,518 2.2 330.1 Floating Plants 2.00% 2.22% 3.33% 7.262 4.687 2.343,549 2.2 330.2 Pressure Tanks 3.33% 7.262 7.262 4.687 1.7376 1.7376 1.4376 1.454,518 2.2 330.2 Pressure Tanks 3.00% 7.262 7.262 2.243,549 2.2 33.8 Melas Backdow Prevailon Devices 6.77% 3.250 1.454,518 2.2 33.8 Backdow Prevailon Devices 6.67% 3.26 3.25 4.60 2.04,060 4.70 2.04,060 4.70 2.04,07 4.70 2.04,07 4.70 2.04,07 4.70 2.04,07 4.70 2.06 4.70 2.06 3.24 3.24 3.24 3.24 3.24 3.24 3.24 3.24 3.24 3.24 3.24 3.24 3.24 3.24	5	330	Water Treatment Equipment	3.33%			•					200,81	000,000	071,101
300 Explain Chemical Feeders 20 00% 301 Distribution Reservoir & Standplees 2 22% 302 Distribution Reservoir & Standplees 2 22% 303 Distribution Reservoir & Standplees 2 22% 303 Transmission & Distribution Mains 2 22% 333 Transmission & Distribution Mains 2 33% 333 Exervoir Tarks 2 00% 334 Meless 2 33% 325 Exervoir Tarks 2 00% 326 Exervoir Meless 6 67% 327 Exervices 4 33% 328 Backflow Prevention Devices 6 67% 329 Exervices Exervices 4 43 578 320 Office Fundment 6 67% 340 Office Fundment 6 67% 341 Transportation Equipment 4 00% 342 Stores Equipment 4 00% 343 Tools, Shop & Garage Equipment 5 00% 344 Dover Operate Equipment 5 00% 345 Power Operate Equipment 5 00% 346 Communication Equipment 5 00% 347 Miscalareous Equipment 4 00% 347 Miscalareous Equipment 4 00% 348 Gordon Equipment <		320.1		3.33%			,					•		1
330 Distribution Reservoirs & Slandpipes 2.22% 32.290 1.454,518 22 330 Instruction Reservoirs & Slandpipes 2.22% 5.00% 2.22% 2.243,549 2.2 330 Instruction Mains 3.00% 7.552 7.552 7.552 7.45,745 2.243,549 2.2 331 Transmission & Distribution Mains 3.30% 7.552 7.552 7.552 7.456 2.43,549 2.2 334 Meters 2.00% 7.552 7.55		320.2		20.00%			•					٠		
330.1 Storage Tanks 2 22% 330.2 Pickage Tanks 2 00% 331 Transitission & Distribution Mains 2 00% 333 Services 4 10 0 334 Meters 4 10 0 335 Services 4 10 0 334 Meters 4 10 0 335 Hydrants 4 10 0 336 Hydrants 4 10 0 336 Hydrants 4 10 0 337 Hydrants 4 10 0 340 Office Funding & Equipment 6 67% 340 Complex & Software 4 00 0 341 Transportation Equipment 4 00 0 342 Stores Equipment 4 00 0 343 Stores Equipment 4 00 0 344 Stores Equipment 5 00 0 345 Stores Equipment 5 00 0 346 Construction Equipment 10 00 0 347 Miscellaneous Equipment 10 00 0 348 Contransportation Equipment 10 00 0 <		330		2.22%								32,290	1,454,518	206,141
330 2 Pressure Tanks 5.00% 331 2 Pressure Tanks 5.00% 331 3 Exchanatisson & Distribution Mains 2.00% 332 Services 11,656 143,678 6.13,78 334 Meters 2.00% 7.252 7.252 7.252 7.252 335 Backflow Prevention Devices 6.67% 4.160 2.08,118 1 335 Other Plant & Meters 2.00% 4.160 2.08,118 1 340 Office Fundition Bedupment 6.67% 6.76 3.84 5,752 340 Transportation Equipment 20.00% 6.78 3.824 5,752 341 Transportation Equipment 4.00% 6.124 6.124 6.124 342 Stores Equipment 10.00% 6.124 6.124 6.124 345 Close Equipment 10.00% 6.124 6.124 6.124 346 Communication Equipment 10.00% 6.124 6.124 6.124 347 Communication Equipment 10.00% 6.124 6.124 6.124 348 Other Tangble Plant	-	330.1		2.22%						•		•		٠
331 Transmission & Distribution Mains 2 00% 46 871 2,343,549 22 33.38 46 871 2,343,549 2 23.33 8 33% 7,252 7,252 7,252 7,252 7,352 7,352 7,352 7,352 7,252 7,352 3,44 7,352 3,44 7,352 3,44 7,352 3,44 7,352 3,44 7,372 3,47 1,472 1,472 1,472 1,472 1,472 1,472 1,474 1,474 1,474 1,474 1,474 1,474 1,474 <t< td=""><td></td><td>330.2</td><td></td><td>5.00%</td><td></td><td></td><td>•</td><td></td><td></td><td></td><td></td><td>•</td><td></td><td></td></t<>		330.2		5.00%			•					•		
333 Services 3.33% 7,252 7,262 1,756 1,776 1,774 1,774 1,774 1,774 1,774 1,774 1,774 1,774 <t< td=""><td></td><td>33</td><td>-</td><td>2.00%</td><td></td><td></td><td>•</td><td></td><td></td><td>1</td><td></td><td>46,871</td><td>2,343,549</td><td>220,425</td></t<>		33	-	2.00%			•			1		46,871	2,343,549	220,425
334 Meters 1,565 7,252 1,666 143,678 2,638 2,638 2,638 2,638 2,638 2,638 2,638 3,64 2,618 1,666 143,678 1,666 143,678 1,666 143,678 1,666 143,678 1,672 1,666 1,672 1,672 1,672 1,672 1,666 1,672	9	23	Services	3.33%			,					17,276	518,785	80,245
355 Hydrants 2 00% 358 Backflow Prevention Devices 6 67% 358 Backflow Prevention Devices 6 67% 340 Office Equipment 6 67% 340 Office Equipment 20 00% 341 Transportation Equipment 20 00% 342 Stores Equipment 20 00% 343 Transportation Equipment 5 00% 344 Laboratory Equipment 5 00% 345 Tools Shop & Garage Equipment 10 00% 346 Communication Equipment 10 00% 347 Miscellaneous Equipment 6 124 348 Other Tangible Plant 4 00% 13376 13,376	2	33	Meters	8.33%			7,252					11,666	143,578	54,305
338 Backflow Prevention Devices 6.67% 340 Office Fullant & Misc Equipment 6.67% 340 Office Fullant & Misc Equipment 6.67% 340 Office Fullant & Misc Equipment 20.00% 341 Transportation Equipment 20.00% 342 Transportation Equipment 20.00% 343 Transportation Equipment 4.00% 344 Laboration Equipment 5.00% 345 Power Operated Equipment 1.00% 346 Communication Equipment 10.00% 347 Miscolalaneous Equipment 6.124 348 Other Tangible Plant 4.00% 349 Other Tangible Plant 13.376 340 Miscolalaneous Equipment 4.00% 345 Miscolalaneous Equipment 4.00% 346 Miscolalaneous Equipment 4.00% 347 Miscolalaneous Equipment 4.00% 348 Other Tangible Plant 4.00% 349 Other Tangible Plant 4.00% 340 Miscolalaneous Equipment 4.00% 340 Miscolalaneous Equipment 4.00% 340 Miscolalaneous Equipment 4.00% 340 Miscolalaneous Equipment 4.00%	7	335	Hydrants	2.00%			٠					4,160	208,018	19,491
339 Other Plant & Misc Equipment 6 67% 340 Tomble & Misc Equipment 6 67% 340 Tomble Plant & Misc Equipment 6 67% 341 Tomsportation Equipment 20 00% 342 Tomsportation Equipment 20 00% 342 Stores Equipment 4 00% 343 Laboratory Equipment 1472 344 Laboratory Equipment 10 00% 345 Power Operated Equipment 6 124 346 Miscellaneous Equipment 10 00% 347 Miscellaneous Equipment 10 00% 348 Miscellaneous Equipment 10 00% 349 Other Tangible Plant 4 00% 349 Other Tangible Plant 13 376 340 TALS 15 3.376	2	338	Backflow Prevention Devices	6.67%			•			•				•
340 Office Furniture & Equipment 6 67% 340 Office Furniture & Equipment 20,00% 341 Computers & Software 20,00% 342 Stress Equipment 4,00% 343 Tools, Shop & Garage Equipment 5,00% 344 Laboratory Equipment 10,00% 345 Owen Operated Equipment 10,00% 346 Communication Equipment 10,00% 347 Miscellaneous Equipment 10,00% 348 Other Tangible Plant 4,00% 100% 6,124 13,376 13,376	18	339	Other Plant & Misc Edutoment	6.67%			•					43	651	241
340.1 Computers & Software 20.00% 8.24 8.24 341 Transportation Equipment 20.00% 3.836 143 3.836 342 Transportation Equipment 5.00% 14.7 2.866 3.836 343 Tools, Shop & Garage Equipment 10.00% 14.7 14.7 14.7 18.224 345 Communication Equipment 10.00% 6,124 6,124 5.00 6,124 3.06 6,124	24	8	_	6.67%								384	5,752	2,160
341 Transportation Equipment 20 00% 8,224 342 Stores Equipment 4,00% 3,839 343 Tools, Shop & Carage Equipment 1,472 1,471 34 Laboratory Equipment 10,00% 1,472 1,478 34 Laboratory Equipment 10,00% 6,124 911 16,224 34 Miscellaneous Equipment 10,00% 6,124 6,124 6,124 34 Other Tangble Plant 4,00% 13,376 18,376 8,74 6,234,790 8	52	340.1	_	20.00%			•						,	ı
342 Stores Equipment 4.00% 343 Tools, Shop & Garage Equipment 5.00% 344 Laboratory Equipment 1,00% 345 Tools, Shop & Garage Equipment 1,00% 346 Communication Equipment 10.00% 347 Miscellaneous Equipment 10.00% 348 Other Tangible Plant 4.00% 70TALS 13,376 13,376 13,376	28	341		20.00%			,			•		822	8,224	8,224
343 Tools, Shop & Garage Equipment 5.00% 344 Laboratory Equipment 10.00% 345 Laboratory Equipment 10.00% 346 Communication Equipment 10.00% 347 Miscellaneous Equipment 306 348 Olher Tangble Plant 4.00% 70TALS 13.376 13.376 13.376	7	342	Stores Foundent	4.00%			•					153	3,836	844
344 Latoratory Equipment 10.00% 345 Power Operated Equipment 5.00% 346 Communication Equipment 10.00% 346 Other Tangble Plant 6,124 348 Other Tangble Plant 6,124 348 Other Tangble Plant 13,376	Š	143		5 00%								143	2,856	928
345 Power Operated Equipment 5 00% 6,124 6,124 6,124 6,124 6,124 6,124 348 Other Tangible Plant 4.00% 7.00%	3 8	2 5		10.00%								1,472	14,718	9,567
346 Communication Equipment 10.00% 6,124 6,124 6,124 306 6,124 348 Other Tangible Plant 4.00% 13,376 13,376 6,234,790	9 5	4		5.00%			•					911	18,224	5,012
347 Miscellaneous Equipment 10.00% 6,124 6,124 306 6,124 348 Other Tangible Plant 4.00% 13,376 13,376 13,376 181,424 6,234,790	3 %	3	_	10.00%			,			,		•	,	,
348 Other Tangible Plant 4.00% TOTALS 13.376 - 13.376 - 161,424 6,234,790	5 8	24.5		40 U			6.124			,		306	6,124	308
TOTALS 183,376 181,424 6,234,790	3 6	348	_	4 00%			. •					•	•	٠
TOTALS 13.376 - 13.376 - 181,424 6,234,790	34	?												
13.376 13.346 13.376 13.376 13.376 13.376	38											184 494	A 234 705	97A 036
	36		TOTALS		13,376	,	13,375	_	,		,	### CDI	0,404,0	2007

6,234,790 (182,343) 6,052,447 161,424 2,67%

Unadjusted Plant Balance Non-Depr. or Fully Depr. Plant Depredatio Plant Depredation Expense Composite Depredation Rate

Red Rock Utilities - Water Division Plant Additions and Retirements

Exhibit Schedule B-2 Page 3.11 Witness: Bourassa

									2013	9					
	NARUC	Of.	Allowed	Plant		Adjusted	Plant		Adjusted			Excess		Excess	
Line		ţu.	Deprec.	Additions	Plant	Piant	Retirements	Retirement	Plant	Salvage	Depreciation	Capacity	Plant	Capacity	Accum.
휜		Description	Rate	(Per Books)	Adjustments	Additions	(Per Books)	Adjustments	Retirements	A/D Only	(Calculated)	Calculated) 2IS Adjustments	Balance	4/D Adjustment:	Debrec
-	301	Organization Cost	%00.0			•			,		•		54,297		,
· C4	305		0.00%								,	(21,305)	73,931		
· 60	303		0.00%						,				32,810		•
য	305		3.33%			•					268		8,049		2,693
10	305	_	2.50%			•			•		,		,		23
ဖ	306		2.50%						٠		,		,		. ;
~	307	_	3.33%						•		23,021		691,317		178,754
ø	308		6.67%	_		•							1		1,023
Ø.	808		2.00%						•		,		, ;		817
10	310	1 Power Generation Equipment	5.00%	_		•			•		2,554		51,082		7,555
11	311	1 Pumping Equipment	12.50%	_					•		, :	:	•	•	. :
12	320	_	3.33%	_		,			•		19,083	(309,456)	263,610	(64,913)	25,296
5	320.1		3.33%	_		ŀ			•		•		•		,
14	320.2	.2 Solution Chemical Feeders	20.00%	_		,							•		. !
5	330	2	2.22%			•					32,290	(596,352)	858,166	(97,757)	140,674
16	330.1	.1 Storage Tanks	2.22%	_					,		,		•		,
11	330.2	.2 Pressure Tanks	5.00%			•			•		•		. :		
18	331	1 Transmission & Distribution Mains	2.00%	_		•			•		46,871		2,343,549		267,296
9	333	3 Services	3.33%			•			•		17,276		518,785		125,78
20	334	4 Meters	8.33%	10,656		10,658					12,412		154,334		7,00
21	335	5 Hydrants	2.00%			•			•		4,160		208,018		73,651
22	338		6.67%	_					•		. :		, ;		. (
23	336	_	6.67%			•					4				82.5
24	8		6.67%			,					384		5,752		2,544
52	340.1	_	20.00%			•									, ,
28	341	1 Transportation Equipment	20.00%			•			•		. !		977'0		477'o
27	342		4.00%			,			•		153		3,836) is
28	343	3 Tools, Shop & Garage Equipment	5.00%			•					143		2,856		1/0'L
28	344	4 Laboratory Equipment	10.00%			•					1,472		14,718		11,039
8	345	_	9.00%			•					91		18,224		5,923
<u>ج</u>	346	5 Communication Equipment	10.00%			•			•		•				, ;
8	347	7 Miscellaneous Equipment	10.00%						•		612		6,124		919
æ	348	8 Other Tangible Plant	4.00%						,						•
¥ %															
3 %		TOTALS		10.656	7	10,656					161,654	(927,113)	5,318,333	(162,670)	873,019

Unadjusted Plant Balance Non-Depr. or Fully Depr Plant Deprediable Plant Depreciation Expense Composite Depreciation Rate

6,224,141 (161,038) 6,063,103 161,654 2,67% Exhibit Schedule B-2 Page 4 Witness: Bourassa

Adjusted Accum. <u>Depr.</u>

		Red Rock Ultities, LLC - Water Division Test Year Ended December 31, 2013	ed Rock Ultities, LLC - Water Divisio Test Year Ended December 31, 2013	ion 3			Exhibit Schedule B-2
		Original Cost Rate Base Proforma Adjustments Adjustment Number 2	t Rate Base Proforma Adjust Adjustment Number 2	ments			Page 4 Witness: Bourassa
		Accumulated Depreciation	tion				
			⋖	മ്പ	<u>Adjustments</u> <u>C</u>		Ш
t		Per Books	Excess	Reconcliation to Deconstruction	Intentionally	Intentionally	Intentionally
ij: :	:	Acculii.	Capacity	of Oto Patrice	וטן כו	֓֞֞֞֜֞֜֞֞֜֞֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֡֓֓֓֓֓֞֓֓֡֓֞֡֓֡֓֞֓֡֓֞֡֓֞	100
쉵	<u>Description</u> Organization Cost	Dept.	Adjustments	of Pis Balance	Slank Slank	Blank	Blank
302	Franchise Cost	31.485		(31,485)			
303	Land and Land Rights	11,484		(11,484)			
304	Structures and Improvements	3,034		(341)			
305	Collecting and Impounding Res.			22			
306	Lake River and Other Intakes			•			
307	Wells and Springs	248,396		(69,642)			
308	Infiltration Galleries and Tunnels			1,023			
308	Supply Mains	17,024		(16,207)			
310	Power Generation Equipment			7,555			
311	Electric Pumping Equipment			•			
320	Water Treatment Equipment	153,438	(64,913)	(33,229)			
320.1	_						
320.2	_						
330	_	504,863	(97,757)	(266,432)			
330.1				1			
330.2	_						
331		668,109		(400,813)			
333	Services	146,418		(48,897)			
334	Meters	39,872		26,845			
222	Hydrants	971,80		(7,4,50)			
330	Backflow Prevention Devices	6		. ř		•	
330	Other Plant and Misc. Equip.	212		6/			
8	~	1,887		657			
340.1	_			•			
341	Transportation Equipment	2,673		5,551			
342	Stores Equipment			266			
343	Tools and Work Equipment	2,246		(1,175)			
344	Laboratory Equipment	5,152		2,887			
345	Power Operated Equipment	5,923		©			
346	Communications Equipment						
347	Miscellaneous Equipment	459		460			
348	Other Tangible Plant			•			

2, 693 22 178,754 1,023 817 7,555 65,296 -140,674 --140,674 --267,296 97,521 66,717

Increase (decrease) in Accumulated Depreciation Accumulated Depreciation per Books

\$ 1,901,803 \$ (162,670) \$ (866,114) \$

TOTALS

873,019

\$ (1,028,783) \$ (1,028,783)

\$ 1,901,802

285 2,544 . 8,224 997 11,039 5,923

SUPPORTING SCHEDULES B-2, pages 3.1 to 3.19

Adjustment to Accumulated Depreciation

Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment Number 2-A

Exhibit Schedule B-2 Page 4.1 Witness: Bourassa

Excess Capacity Adjustment

Line						
No.						
1			Computed	Projected		
2			A/D Balance	Excess		Excess
3	Acct.		Before Capacity	Capacity	(apacity
4	<u>No.</u>	<u>Description</u>	<u>Adjustment</u>	as Percent	<u>A</u> 0	<u>djustment</u>
5						
6						
7	320	Water Treatment Equipment	120,209	54%		64,913
8	330	Dist. Reservoirs & Standpipe	238,431	41%		97,757
9		TOTAL			\$	162,670
10						
11						
12	Increa	ise (decrease) in Plant-in-Service			\$	(162,670)
13						
14	Adjust	tment to Plant-in-Service			\$	(162,670)
15						
16	SUPP	ORTING SCHEDULES				
17	8-2 pa	ages 3.2				
18						

Red Rock Uitifities, LLC - Water Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment Number 2-B

Exhibit Schedule B-2 Page 4.2 Witness: Bourassa

Reconciliation of Accumulated Depreciation (A//D) Balance to Reconstructed Balance

nts		<u>a</u>		(31,485)	1,484)	(341)	22		9,642)	1,023	(16,207)	7,555		(33,229)	•	•	266,432)			(400,813)	(48,897)	26,845	(35,477)	1	73	657		5,551	266	(1,175)	5,887	9		460		(866,114)
Adjustments	5	Reconcile		၅	Ξ				9)		5			e e			(28			9	Ā.	N	9													
A/D Balance	Per	Reconstruction	•	•		2,693	22		178,754	1,023	817	7,555	•	55,296	•	•	140,674	•	•	267,296	97,521	66,717	23,651	•	285	2,544		8,224	266	1,071	11,039	5,923		919		873,019 \$
Adjusted	A/D	Balance	•	31,485	11,484	3,034	,		248,396	•	17,024			88,525	•	i	407,106	•	•	668,109	146,418	39,872	59,128	•	212	1,887	į	2,673	i	2,246	5,152	5,923		459		1,739,133 \$
	B-2	Adjustments	,		•	•	•	•		•	•		•	(64,913)	•	•	(97,757)	,	•	٠	•	,	•	•	•	•	•	•	,	•	,	•	•		•	(162.670) \$
	A/D	Balance	1	31,485	11,484	3,034	•	•	248,396	1	17,024	•		153,438	•	,	504,863		1	668,109	146,418	39,872	59,128	•	212	1,887	•	2,673	•	2,246	5,152	5,923	•	459		1.901.803 \$
		Description	Organization Cost	Franchise Cost	Land and Land Rights	Structures and Improvements	Collecting and Impounding Res.	Lake River and Other Intakes	Wells and Springs	Infiltration Galleries and Tunnels	Supply Mains	Power Generation Equipment	Electric Pumping Equipment	Water Treatment Equipment	_	Chemical Solution Feeders	_	Storage tanks	Pressure Tanks	_	Services	Meters	Hydrants	Backflow Prevention Devices	Other Plant and Misc. Equip.	Office Furniture and Fixtures	_	Transportation Equipment	Stores Equipment	Tools and Work Equipment	Laboratory Equipment	-	Ŭ	_	Other Tangible Plant	TOTALS
	Acct	2	301	302	303	304	305	306	307	308	308	310	311	320	320.1	320.2	330	330.1	330.2	331	333	334	335	336	339	340	340.1	341	342	343	34	345	346	347	348	
- 0 0	4	Ŋ	9	7	8	6	5	=	2	9	4	5	9	4	8	6	8	7	Z	8	켰	ĸ	93	23	8	8	8	9	32	g	8	35	ဓ္ဌ	37	38	39

(866,114) (866,114)

42
43
44 Increase (decrease) in A/D
45
46 Adjustment to A/D
47
48 SUPPORTING SCHEDULES
49 B-2, pages 4
50 B-2, pages 3.4-3.11 SUPPORTING SCHEDULES
B-2, pages 4
B-2, pages 3.4-3.11

Test Year Ended December 31, 2013 Original Cost Rate Base Proforma Adjustments Adjustment 3 Exhibit Schedule B-2 Page 5 Witness: Bourassa

Contributions-in-Aid of Construction (CIAC) and Accumulated Amortization

Line					
<u>No.</u>					
1					
2					
2 3			Gross		umulated
4			<u>CIAC</u>	Am	ortization
5	Computed balance	\$	233,715	. \$	27,711
6	•		•		
7	Book balance at end of TY	\$	233,715	\$	52,586
8					
9	Increase (decrease)	\$	-	\$	(24,875)
10					
11					
12	Adjustment to CIAC/AA CIAC	\$\$	-	_\$	24,875
13	Label		3a		3b
14					
15					
16					
17					
18					
19	SUPPORTING SCHEDULES				
20	E-1				
21	B-2, page 5.1				
22					
23					
24					
25					
00					

Red Rock Ultilities, LLC - Water Division Test Year Ended December 31, 2013 Contributions-in-aid of Construction (CIAC)

Balance 12/31/2005

Test Year Ended December 31, 2013 Contributions-in-aid of Construction (CIAC)		CIAC	Beginning Amortization Balance Amortization Rate	Amortization (1/2 yr convention) Accumulated Amortization	Net CIAC				CIAC	Amortization Rate	Amortization (1/2 yr convention) Accumulated Amortization	Net CIAC	
Test Y Contri	를 <u>하</u> – 8 & 4	r vn va	~ ®	თ 2	- 2	₹	ნ ნ	<u></u>	282	N R	% 8	22 28	3 2

Balance 1231/2012 Additi 233,715 6.233 21,479 - 212,236	20	2012	20	2013
	Additions	Balance 12/31/2012	Additions	Balance 12/31/2013
200		233,715	•	233,715
		2.67%		2.67%
		6,233		6,231
		21,479		27,711
	,	212,236		206,004

Exhibit Schedule B-2 Page 5.1 Witness: Bourassa

2011	Balance 12/31/2011	233,715	2.67% 6.244 15,246	218,469
20	Additions			-
2010	Balance 12/31/2010	233,715	2.66% 6.214 9,002	224,713
20	Additions			,
2009	Balance Additions 12/31/2009	233,715	2.39% 2,788 2,788	230,927
20				233,715
2008	Balance 12/31/2008	,	2.69%	
20	Additions			,
2007	Balance 12/31/2007		1.99%	
50	Additions	1		,
2006	Balance	,	1.35%	·
2	Additions			-

Red Rock Ultiities, LLC - Water Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment 4

Exhibit Schedule B-2 Page 6 Witness: Bourassa

Line <u>No.</u>			
1	Remove Verano Division related AIAC		
2			
3			
4	Verano AIAC funding Plant Held for Future Use	\$	750,000
5			
6			
7 8	Increase (decrease) in ALAC	•	(750,000)
9	Increase(decrease) in AIAC	\$	(750,000)
10			
11			
12			
13			
14			
15			
16 17			
18			
19			
20			
21	REFERENCE		
22	Testimony		
23			
24			
25 26			
2 0 27			
28			
29			
30			

Test Year Ended December 31, 2013 Computation of Working Capital

SUPPORTING SCHEDULES:

29 30

E-1

Exhibit Schedule B-5 Page 1 Witness: Bourassa

RECAP SCHEDULES:

B-1

Line No. 1 2 3 4 5 6	Cash Working Capital (1/8 of Allowance Operation and Maintenance Expense) Pumping Power (1/24 of Pumping Power) Purchased Water (1/24 of Purchased Water) Prepaid Expenses	\$	28,474 1,238 -
7			
8			
9	Total Working Capital Allowance	\$	29,713
10			
11 12	Working Copital Requested	\$	····
13	Working Capital Requested	<u> </u>	
14			
15			
16			
17		<u>Adjuste</u>	ed Test Year
18	Total Operating Expense	\$	416,350
19	Less:		
20	Income Tax	\$	=
21	Property Tax		26,568
22	Depreciation		132,265
23	Purchased Water		-
24	Pumping Power		29,723
25	Allowable Expenses	\$	227,794
26	1/8 of allowable expenses	_\$	28,474
27			
28	OURRORTING COLLEGE	05040.0045018	5 0

Red Rock Ultiities, LLC - Water Division Test Year Ended December 31, 2013 Income Statement

Exhibit Schedule C-1 Page 1 Witness: Bourassa

Line <u>No.</u>		est Year Book Results	Ad	ljustment	Test Year Adjusted <u>Results</u>	Proposed Rate Increase	٧	Adjusted vith Rate ncrease
1	Revenues							
2	Metered Water Revenues	\$ 359,204	\$	164,566	\$ 523,770	\$ 14,480	\$	538,249
3	Unmetered Water Revenues	-		•	-			-
4	Other Water Revenues	9,276			9,276			9,276
5	•	\$ 368,480	\$	164,566	\$ 533,046	\$ 14,480	\$	547,525
6	Operating Expenses							
7	Salaries and Wages	\$ 45,670		_	\$ 45,670		\$	45,670
8	Employee Pensions and Benefits	1,564		-	1,564			1,564
9	Purchased Water	-		-	-			-
10	Purchased Power	20,220		9,503	29,723			29,723
11	Chemicals	2,365		· <u>-</u>	2,365			2,365
12	Repairs and Maintenance	37,989		_	37,989			37,989
13	Office Supplies and Expense	884		_	884			884
14	Contractual Services - Engineering	-			-			•
15	Contractual Services - Mgmnt Fee	60,000		_	60,000			60,000
16	Contractual Services - Legal & Accounting	27,776		_	27,776			27,776
17	Contractual Services - Other	16,914		_	16,914			16,914
18	Contractual Services - Water Testing	1,378		_	1,378			1,378
19	Rents	1,510		_	1,570			1,510
20	Transportation Expenses	_			_			_
21	Insurance - Vehicle	_		_	_			_
22	Insurance - General Liability	11,438		_	11,438			11.438
23	Insurance - Worker's Comp	11,430		-	11,400			11,400
24	Regulatory Commission Expense	-		-	-			-
25	Regulatory Commission Expense - Rate Ca	-		5,000	5,000			5,000
26	Bad Debt Expense	-		5,000	5,000			5,000
27	•	45.007		(0.070)	42.250			12.250
28	Miscellaneous Expense	15,637		(2,279)	13,358			13,358
20	Sales Tax Expense	23,977		(23,977)	400.005			400.005
20	Depreciation Expense	297,605		(165,340)	132,265			132,265
29	Taxes Other Than Income	3,458		-	3,458	0.44		3,458
30	Property Taxes	2,128		24,440	26,568	241		26,80 9
31	Income Tax	-		-	-	-		-
32								
33		 			 	 		
34	Total Operating Expenses	\$ 569,003	\$	(152,653)	\$ 416,350	\$ 241	\$	416,591
35	Operating Income	\$ (200,523)	\$	317,218	\$ 116,695	\$ 14,239	\$	130,934
36	Other Income (Expense)							
37	Interest Income	4,859		-	4,859			4,859
38	Other income	-		-	-			-
39	Interest Expense	-		-	-			-
40	Other Expense	-		-	-			-
41		 		-	-	 		
42	Total Other Income (Expense)	\$ 4,859	\$		\$ 4,859	\$ 	\$	4,859
43	Net Profit (Loss)	\$ (195,664)	\$	317,218	\$ 121,554	\$ 14,239	\$	135,793
44	•	 				 		

SUPPORTING SCHEDULES: C-1, page 2 E-2

RECAP SCHEDULES:

	LABEI	LABEL>>>>	=1	NI	ଜା	4 Annualized	5 Reverse	<u>6</u> Remove	7 Remove	8 Intentionally	9 Intentionally	Test Year	Proposed	Adjusted
Line No.		Book	Depreciation	Property Taxes	Rate Case Expense	ជី		Sales tax Expense	Verand Expense	Left Blank	Left Blank	Adjusted <u>Results</u>	Rate Increase	with Rate
Se Se	us)	359,204				\$ 179,937	7 \$ (15,371)	£			€9	523,770 \$	14,480 \$	538,249
3 Unmetered Water Revenues 4 Other Water Revenues		9.276		,							:	9,276		9,276
ć	₩	368,480	·	69	69	\$ 179,937	7 \$ (15,371)	1) \$.			\$ - \$		14,480 \$	547,525
5 Operating Expenses 7 Sataties and Wages	•9	45.670									49	45,670	B	45,670
	•	.564										1,564		1,564
9 Furchased Water 10 Purchased Power		20.220				9,503	r					29,723		29,723
		2,365										2,365		2,365
12 Repairs and Maintenance 13 Office Sumiles and Expense		37,989 884										37,989		2,388 884
		; .										, ;		
		60,000										60,000		97, 776
16 Contractual Services - Legal & Accounting 17 Contractual Services - Other	<u></u>	16.914										16,914		16,914
		1,378										1,378		1,378
												•		•
												()		
21 Insurance - Vernore		14 439										11.438		11,438
24 Reg. Comm. Expense												•		•
_					5,000							2,000		5,000
		- 46.634							(979.0)			13 358		13.358
27 Miscellaneous Expense		75,057						(73.977)				255,5		2
		297,605	(165 340)					1				132,265		132,265
-		3,458										3,458		3,458
		2,128		24,440								26,568	241	26,809
32 Income Tax ३३												. ,	•	
3 3					,							0000		700 077
	69	569,003	\$ (165,340) \$	- 1	ي م	50 50 50 50 50 50 50 50 50 50 50 50 50 5	3 4 6	7/8/27	7 9 (2,2/8)	e e	-	118 805 6	\$ 050.77	130.037
36 Operating Income	est.	(500,523)	105,340	\$ (24,440)	(nnn'c) •	Ą	4	9	9		•	200		100
		4,859										4,859		4,859
												•		,
40 Inferest Expense 41 Other Expense												. ,		
	ŀ				,			4	•	6		030 8	4	4 050
	ь	4,859	1	- 1	y.,	ا جو		A G	A .	4	4	5 800'4 CF	4 000 77	495 709
44 Net Profit (Loss)	va.	(195,664)	\$ 165,340	\$ (24,440)	(000°c) \$	1/0.433	(L/S,CL)	1) & Z3 97	/ \$ 2,279	Ħ	4		⊕ EC7'+1	26.752
		٠										œ	RECAP SCHEDULES	ES:
4/ C-2 48 E-2														

Red Rock Ultitities, LLC - Water Division Test Year Ended December 31, 2013 Adjustments to Revenues and Expenses

Exhibit Schedule C-2 Page 1 Witness: Bourassa

Line <u>No.</u> 1		<u>1</u>	2	nts to Revenues ar 3	4 Annualized	<u>5</u> Reverse	<u>6</u> Remove	Subtotal
2		D	Property	Rate	Revenues	Revenue	Sales tax	
3 4	Revenues	<u>Depreciation</u>	<u>Taxes</u>	Case Expense	Projected Growth 179,937	Accrual (15,371)	<u>Expense</u>	164,566
5	1/CACHGG9				110,007	(10,011)		(0.,000
6	Expenses	(165,340)	24,440	5,000		-	(23,977)	(159,877)
7	,	<u></u>	·					
8	Operating							_
9	Income	165,340	(24,440)	(5,000)	179,937	(15,371)	23,977	324,443
10								
11	Interest							
12	Expense							-
13 14	Other Income /		,				_	_
15	Expense						_	
16	Expense			-		·		
17	Net Income	165,340	(24,440)	(5,000)	179,937	(15,371)	23,977	324,443
18		100,010	(2.1,1.10)	(0,000)		,		
19								
			Adimatas	nts to Revenues a	ad Evnonces			
20			Adjustine	iito to Revenues ai	iu ⊏xperi <u>ses</u>			
20 21		7	Adjustine 8	9	<u>10 Expenses</u> 10	<u>11</u>	<u>12</u>	Subtotal
		7 Remove	8 Intentionally			Intentionally	Intentionally	Subtotal
21			8	9	10 Intentionally Left	Intentionally Left	Intentionally Left	Subtotal
21 22 23 24		Remove	8 Intentionally	<u>9</u> Intentionally	<u>10</u> Intentionally	Intentionally	Intentionally	
21 22 23 24 25	Revenues	Remove Verano	8 Intentionally Left	<u>9</u> Intentionally Left	10 Intentionally Left	Intentionally Left	Intentionally Left	<u>Subtotal</u> 16 4 ,566
21 22 23 24 25 26		Remove Verano Expense	8 Intentionally Left	<u>9</u> Intentionally Left	10 Intentionally Left	Intentionally Left	Intentionally Left	164,566
21 22 23 24 25 26 27	Revenues Expenses	Remove Verano	8 Intentionally Left	<u>9</u> Intentionally Left	10 Intentionally Left	Intentionally Left	Intentionally Left	
21 22 23 24 25 26 27 28	Expenses	Remove Verano Expense	8 Intentionally Left	<u>9</u> Intentionally Left	10 Intentionally Left	Intentionally Left	Intentionally Left	164,566
21 22 23 24 25 26 27 28 29	Expenses Operating	Remove Verano Expense (2,279)	8 Intentionally Left	<u>9</u> Intentionally Left	10 Intentionally Left	Intentionally Left	Intentionally Left	16 4 ,566 (162,156)
21 22 23 24 25 26 27 28 29 30	Expenses	Remove Verano Expense	8 Intentionally Left	<u>9</u> Intentionally Left	10 Intentionally Left	Intentionally Left	Intentionally Left	164,566
21 22 23 24 25 26 27 28 29 30 31	Expenses Operating Income	Remove Verano Expense (2,279)	8 Intentionally Left	<u>9</u> Intentionally Left	10 Intentionally Left	Intentionally Left	Intentionally Left	16 4 ,566 (162,156)
21 22 23 24 25 26 27 28 29 30 31 32	Expenses Operating Income	Remove Verano Expense (2,279)	8 Intentionally Left	<u>9</u> Intentionally Left	10 Intentionally Left	Intentionally Left	Intentionally Left	16 4 ,566 (162,156)
21 22 23 24 25 26 27 28 29 30 31	Expenses Operating Income	Remove Verano Expense (2,279)	8 Intentionally Left	<u>9</u> Intentionally Left	10 Intentionally Left	Intentionally Left	Intentionally Left	16 4 ,566 (162,156)
21 22 23 24 25 26 27 28 29 30 31 32 33	Expenses Operating Income Interest Expense	Remove Verano Expense (2,279)	8 Intentionally Left	<u>9</u> Intentionally Left	10 Intentionally Left	Intentionally Left	Intentionally Left	16 4 ,566 (162,156)
21 22 23 24 25 26 27 28 29 30 31 32 33	Expenses Operating Income Interest Expense Other	Remove Verano Expense (2,279)	8 Intentionally Left	<u>9</u> Intentionally Left	10 Intentionally Left	Intentionally Left	Intentionally Left	16 4 ,566 (162,156)
21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36	Expenses Operating Income Interest Expense Other Income / Expense	Remove Verano Expense (2,279) 2,279	8 Intentionally Left	<u>9</u> Intentionally Left	10 Intentionally Left	Intentionally Left	Intentionally Left	164,566 (162,156) 326,722 - -
21 22 23 24 25 26 27 28 29 30 31 32 33 34 35	Expenses Operating Income Interest Expense Other Income /	Remove Verano Expense (2,279)	8 Intentionally Left	<u>9</u> Intentionally Left	10 Intentionally Left	Intentionally Left	Intentionally Left	16 4 ,566 (162,156)

Test Year Ended December 31, 2013 Adjustments to Revenues and Expenses Adjustment Number 1

Exhibit Schedule C-2 Page 2 Witness: Bourassa

Depreciation Expense

Line							
<u>No.</u> 1							
2			Adjusted	Fully			
3	Acct		Original	Depr/	Depreciable	Proposed	Depreciation
4	No.	Description	Cost	Non-Depr	Cost	Rates	Expense
5	301	Organization Cost	54.297	(54,297)	COSL	0.00%	<u> Expense</u>
ა 6	302	Franchise Cost	73,931	(73,931)	- -	0.00%	_
7	303	Land and Land Rights	32,810	(32,810)	_	0.00%	_
8	303	J		(32,610)	8,049	3.33%	268
9		Structures and Improvements	8,049		0,045	2.50%	200
-	305	Collecting and Impounding Res.	•		•	2.50%	-
10	306	Lake River and Other Intakes	004.047		691,317	3.33%	23.021
11	307	Wells and Springs	691,317		691,317	6.67%	23,021
12	308	Infiltration Galleries and Tunnels	-		-	2.00%	•
13	309	Supply Mains	-		54.000		2 5 5 4
14	310	Power Generation Equipment	51,082		51,082	5.00%	2,554
15	311	Electric Pumping Equipment	•		-	12.50%	- 0 770
16	320	Water Treatment Equipment	263,610		263,610	3.33%	8,778
17	320.1	Water Treatment Plant	-		-	3.33%	-
18	320.2	Chemical Solution Feeders			-	20.00%	40.054
19	330	Dist. Reservoirs & Standpipe	858,166		85 8,166	2.22%	19,051
20	330.1	Storage tanks	-		-	2.22%	-
21	330.2	Pressure Tanks				5.00%	-
22	331	Trans. and Dist. Mains	2,343,549		2,343,549	2.00%	46,871
23	333	Services	518,785		518,785	3.33%	17,276
24	334	Meters	154,334		154,334	8.33%	12,856
25	335	Hydrants	208,018		208,018	2.00%	4,160
26	336	Backflow Prevention Devices	-		-	6.67%	•
27	339	Other Plant and Misc. Equip.	651		651	6.67%	43
28	340	Office Furniture and Fixtures	5,752		5,752	6.67%	384
29	340.1	Computers and Software	=		-	20.00%	-
30	341	Transportation Equipment	8,224	(8,224)	-	20.00%	-
31	342	Stores Equipment	3,836		3,836	4.00%	153
32	343	Tools and Work Equipment	2,856		2,856	5.00%	143
33	344	Laboratory Equipment	14,718		14,718	10.00%	1,472
34	345	Power Operated Equipment	18,224		18,22 4	5.00%	911
35	346	Communications Equipment	-		-	10.00%	-
36	347	Miscellaneous Equipment	6,124		6,124	10.00%	612
37	348	Other Tangible Plant	-			10.00%	
38		TOTALS	\$ 5,318,333	\$ (169,262)	\$ 5,149,071	_	\$ 138,554
39				•			
40					Gross CIAC	Amort. Rate	
41	Less: Ar	nortization of Contributions			\$ 233,715	2.6909%	\$ (6,289)
42		epreciation Expense			200,		\$ 132,265
43	rota: Do	production Expense					•,
44	Tact Va	ar Depreciation Expense					297,605
45	103(166	ai Depieciation Expense				-	
46	Incresec	e (decrease) in Depreciation Expense					(165,340)
	иювазы	(decrease) iii Depredation Expense				=	.(100)
47	A di4	ont to Bayanung and to Ever-					\$ (165,340)
48	Aajustm	ent to Revenues and/or Expenses					\$ (165,340)
49							

50 <u>SUPPORTING SCHEDULE</u> 51 B-2, page 3

Red Rock Ultiities, LLC - Water Division Test Year Ended December 31, 2013 Adjustment to Revenues and Expenses Adjustment Number 2

Exhibit Schedule C-2 Page 3 Witness: Bourassa

Property Taxes

Line			Test Year		Company
No.	DESCRIPTION	a	as adjusted	Red	commended
1	Company Adjusted Test Year Revenues - 2007	\$ -	533,046	\$	533,046
2	Weight Factor		2		2
3	Subtotal (Line 1 * Line 2)		1,066,091		1,066,091
4	Company Recommended Revenue		533,046		547,525
5	Subtotal (Line 4 + Line 5)		1,599,137		1,613,617
6	Number of Years		3		3
7	Three Year Average (Line 5 / Line 6)		533,046		537,872
8	Department of Revenue Mutilplier		2		2
9	Revenue Base Value (Line 7 * Line 8)		1,066,091		1,075,744
10	Plus: 10% of CWIP - 2010		-		-
11	Less: Net Book Value of Licensed Vehicles		0		0
12	Full Cash Value (Line 9 + Line 10 - Line 11)		1,066,091		1,075,744
13	Assessment Ratio		18.0%		18.0%
14	Assessment Value (Line 12 * Line 13)		191,896		193,634
15	Composite Property Tax Rate - Obtained from ADOR		13.8449%		13.8449%
16	Test Year Adjusted Property Tax Expense (Line 14 * Line 15)	\$	26,568	\$	26,809
17	Tax on Parcels		-		-
18	Total Property Taxes (Line 16 + Line 17)	\$	26,568		
19	Test Year Property Taxes	\$	2,128		
20	Adjustment to Test Year Property Taxes (Line 18 - Line 19)	\$	24,440		
21					
22	Property Tax on Company Recommended Revenue (Line 16 + Line 17)			\$	26,809
23	Company Test Year Adjusted Property Tax Expense (Line 18)			\$	26,568
24	Increase in Property Tax Due to Increase in Revenue Requirement			\$	241
25	, , ,				
26	Increase in Property Tax Due to Increase in Revenue Requirement (Line 2	4)		\$	241
27	Increase in Revenue Requirement	,		\$	14,480
28	Increase in Property Tax Per Dollar Increase in Revenue (Line 26 / Line 2	7)		*	1.66139%
29	The state of	,			

Test Year Ended December 31, 2013
Adjustment to Revenues and Expenses
Adjustment Number 3

Exhibit Schedule C-2 Page 4 Witness: Bourassa

Rate Case Expense

Line <u>No.</u> 1			
2			05.000
3	Estimated Rate Case Expense	\$	25,000
4			-
5	Estimated Amortization Period in Years		5
6		_	- 000
7	Annual Rate Case Expense	_\$	5,000
8		_	
9	Test Year Rate Case Expense		
10		_	- 000
11	Increase(decrease) in Reg. Comm. Rate Case Expense	_\$	5,000
12			
13	Adjustment to Revenue and/or Expense	<u>\$</u>	5,000
14			

Test Year Ended December 31, 2013 Adjustment to Revenues and Expenses Adjustment Number 4 Exhibit Schedule C-2 Page 5 Witness: Bourassa

Additional Revenues/Expense from Projected Customer Growth

Line			
<u>No.</u>			
1	Projected Additional Revenues		100
2	Projected additional number of customers over next 5 years		400
3	Average 5/8x3/4 inch residential monthly bill during test year (H-2, page 1)	\$	37.49
4	Additional monthly revenues	\$	14,995
5	Number of months		12
6	Additional projected annual revenues		179,937
7		_	470.007
8	Total additional annual revenues	\$	179,937
9		_	4=0.00=
10	Increase(decrease) in Metered Revenues		179,937
11		_	4=0.00
12	Adjustment to Revenue and/or Expense	_\$	179,937
13			
14	Projected Additional Purchased Power Expense	•	00.000
15	Test year purchased power expense	\$	20,220
16	Gallons sold (in 1000's)	•	52,647
17	Cost per 1,000 gallons	\$	0.3841
18			400
19	Projected additional number of customers over next 5 years		400
20	Average 5/8x3/4 inch residential usage during test year in 1,100's (H-2, page 1)		5.155
21	Additional monthly gallons sold		2,062
22	Cost per 1,000 gallons	\$	0.3841
23	Additional monthly pumping power expense	\$	792 12
24	Number of months	•	
25	Additional projected annual pumping power expense	\$	9,503
26		\$	0.503
27	Increase(decrease) in Purchased Power Expense	<u> </u>	9,503
28	Adicates at to December and to Consess	\$	9,503
29	Adjustment to Revenue and/or Expense	Φ	9,505
30 31			
31 32	DEEEDENCE		
32 33	REFERENCE Toolimany		
აა	Testimony		

Test Year Ended December 31, 2013 Adjustment to Revenues and Expenses Adjustment Number 5 Exhibit Schedule C-2 Page 6 Witness: Bourassa

Reverse Revenue Accrual

Line			
<u>No.</u>			
1		_	
2	Revenue accrual recorded during test year	\$	15,371
3			
4			45.074
5	Total	\$	15,371
6			
7			(45.054)
8	Increase(decrease) in Metered Revenues	\$	(15,371 <u>)</u>
9		_	(45.574)
10	Adjustment to Revenue and/or Expense	_\$	(15,371)
11			
12			
13	<u>REFERENCE</u>		
14	Testimony		
15	work papers		
16			
17			
18			
19			
20			

Test Year Ended December 31, 2013
Adjustment to Revenues and Expenses
Adjustment Number 6

Exhibit Schedule C-2 Page 7 Witness: Bourassa

Remove Sales Tax Expense

Line		
<u>No.</u>		
1		
2	Test year sales tax expense	\$ 23,977
3		
4		
5	Total	\$ 23,977
6		
7		
8	Increase(decrease) in Sales Tax Expense	\$ (23,977)
9		<u> </u>
10	Adjustment to Revenue and/or Expense	\$ (23,977)
11	·	 ,
12		
13	REFERENCE	
14	C-1	
15	Testimony	
16	work papers	
17		
18		
19		
20		

Test Year Ended December 31, 2001 Adjustment to Revenues and Expenses Adjustment Number 7 Exhibit Schedule C-2 Page 8 Witness: Bourassa

Remove Verano Division Expense

Test year expenses related to Verano		2,279
Total	\$	2,279
Increase(decrease) in Miscellaneous Expense		(2,279)
	_	(0.000)
Adjustment to Revenue and/or Expense	\$	(2,279)
DEFEDENCE		
work papers		
	Test year expenses related to Verano Total Increase(decrease) in Miscellaneous Expense Adjustment to Revenue and/or Expense REFERENCE C-1 Testimony work papers	Total \$ Increase(decrease) in Miscellaneous Expense \$ Adjustment to Revenue and/or Expense \$ REFERENCE C-1 Testimony

Red Rock Ultilities, LLC - Water Division Test Year Ended December 31, 2013 Adjustment to Revenues and/or Expenses Adjustment Number 8

Exhibit Schedule C-2 Page 9 Witness: Bourassa

Line						
<u>No.</u>						
1	Income Tax Computation					
2 3			τ.	est Year	۸	djusted
4				djusted		ith Rate
5				<u>Results</u>		crease
6	Revenue		\$	533,046	\$	547,525
-	Operating Expenses Excluding Incor Synchronized Interest	me Taxes		416,350		416,591
7 8	Income Before Taxes		\$	116,695	\$	130,934
9	Arizona Income Before Taxes		\$	116,695	\$	130,934
10	Alizona income belole Taxes		Φ	110,095	4	130,334
11	Less: Effective Arizona Income Tax		\$	_	\$	_
12	Rate =	0.0000% 1				
13	Arizona Taxable Income	0.000070	\$	116,695	\$	130,934
14			•		,	•
15	Arizona Income Taxes		\$	-	\$	-
16						
17 18	Federal Income Before Taxes		\$	116,695	\$	130,934
19	Less Arizona Income Taxes		\$		\$	
20				 ,		_
21	Federal Taxable Income		\$	116,695	<u>\$</u>	130,934
22						
23						
24	FEDERAL INCOME TAVES					
25	FEDERAL INCOME TAXES:	0.00000/ 1	•		•	
26	Effective Federal Tax Rate =	0.0000% 1	\$	-	\$	-
27 28						
29						
30						
31						
32	Federal Income Taxes		\$		\$	
33				1 11 11 11 11		
34						
35	Total Income Tax		\$	-	<u>\$</u>	
36				_		
37	Overall Tax Rate			0.00%		0.00%
38						
39	Income Tax		\$	-	\$	-
40	Test Year Income tax Expense			-	<u> </u>	
41	Adjustment to Income Tax Expense		\$	-	\$	
42						
43						

44 ¹ See work papers/testimony

Red Rock Ultiities, LLC - Water Division Test Year Ended December 31, 2013 Computation of Gross Revenue Conversion Factor Exhibit Schedule C-3 Page 1 Witness: Bourassa

		Percentage of
Line		Incremental Gross
No.	Description	Revenues
1	Combined Federal and State Effective Income Tax Rate	0.000%
2	. <u> </u>	4.0040/
3	Property Taxes	1.661%
4 5		
6	Total Tax Percentage	1.661%
7		
8	Operating Income % = 100% - Tax Percentage	98.339%
9		
10		
11 12		
13	1 = Gross Revenue Conversion Factor	
14	Operating Income %	1.0169
15		
16		
17		
18 19		
20		
21		
22		
23		
24	OUODODTINO COLLEGIU EO	DECAR COLLEDINES
25	SUPPORTING SCHEDULES: C-3, page 2	RECAP SCHEDULES: A-1
26 27	C-3, page 2	A-1
28		
29		
30		
31		
32		
33 34		
35		
36		
37		
38		
39		
40		

Exhibit Schedule C-3 Page 2 Witness: Bourassa

GROSS REVENUE CONVERSION FACTOR

Line No.	<u>Description</u>	(A)	(B))	(C)		(0)	[=]	ניון
	Coloutation of Compa Bayanga Continuation Footbar								
1	Calculation of Gross Revenue Conversion Factor: Revenue	100.0000%							
2	Uncollecible Factor (Line 11)	0.0000%							
3 4	Revenues (L1 - L2) Combined Federal and State Income Tax and Property Tax Rate (Line 23)	100.0000%							
5	Subtotal (L3 - £4)	98.3386%							
6	Revenue Conversion Factor (L1 / L5)	1.016895	_						
	Calculation of Uncollectible Factor.								
	Unity	100.0000%							
8	Combined Federal and State Tax Rate (Line 17) One Minus Combined Income Tax Rate (L7 - L8)								
	Uncollectible Rate	0.0000%							
11	Uncollectible Factor (L9 * L10)		(0.0000%					
	Calculation of Effective Tax Rate:								
	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%							
	Arizona State Income Tax Rate Federal Taxable Income (L12 - L13)	0.0000%							
	Applicable Federal Income Tax Rate (Line 44)	0.0000%							
	Effective Federal Income Tax Rate (L14 x L15)	0.0000%							
17	Combined Federal and State Income Tax Rate (L13 +L15)			0.0000%					
	Calculation of Effective Property Tax Factor								
	Unity Combined Endant and State Income Tay Rate (L47)	100.0 <u>000</u> % 0.0000%							
	Combined Federal and State Income Tax Rate (L17) One Minus Combined Income Tax Rate (L18-L19)	100,0000%							
21	Property Tax Factor	1.6614%	_						
	Effective Property Tax Factor (L20*L21) Combined Federal and State Income Tax and Property Tax Rate (L17+L22)			1.6614%	1.6614%				
	Committee of the state of the s			=					
24	Required Operating Income	\$ 130,934							
25	AdjustedTest Year Operating Income (Loss)	\$ 116,696	_						
26	Required Increase in Operating Income (£24 - £25)		\$	14,239					
27	Income Taxes on Recommended Revenue (Col. (F), L52)	\$					1		
28	Income Taxes on Test Year Revenue (Col. (C), L52)	<u>s - </u>							
29	Required Increase in Revenue to Provide for Income Taxes (L27 - L28)		\$	-					
30	Recommended Revenue Requirement	\$ 547,525	_						
31	Uncollectible Rate (Line 10) Uncollectible Expense on Recommended Revenue (L24 * L25)	\$ 0.0000%	<u>-</u>						
	Adjusted Test Year Uncollectible Expense	* *							
34	Required Increase in Revenue to Provide for Uncollectible Exp.		\$	-					
35	Property Tax with Recommended Revenue	\$ 26,809							
36	Property Tax on Test Year Revenue	\$ 26,568	_						
37	Increase in Property Tax Due to Increase in Revenue (L35-L36)		\$	241					
38	Total Required Increase in Revenue (L26 + L29 + L37)		Ş	14,480					
	•	(A)	(В	ı,	(C)		(D)	(E)	(F)
			i Year					ecommended	
	Calculation of Income Tax:	Total Red Roc	k Ultiities, Ll	C. Main	r Division	Total	Red Rock Ultiif	les LLC - Wate	er Division
39	Revenue	\$ 533,046		533,046	. Divisioni	\$	547,525 \$	547,525	
40	Operating Expenses Excluding Income Taxes	\$ 416,350	\$ 4	416,350	.	5	416,591 \$	416,591	
	Synchronized Interest (L47) Arizona Taxable Income (L30 - L31 - L32)	\$ 116,695	\$	116,695	\$ -	\$	130,935 \$	130,935	\$ -
	Arizona State Effective Income Tax Rate (see work papers)	0.0000%		0.0000%	0.0000%	L	0.0000%	0.0000%	0.0000%
	Arizona Income Tax (L33 x L34)	\$	\$		\$ - \$ -	\$ \$	- \$ 130,935 \$		\$ - \$ -
45	Federal Taxable income (L33 - L35) Effective Tax Rate (see work papers)	\$ 116,695 0.0000%		116,695 0.0000%	• -	*	0.0000%	0.0000%	•
47	Federal Income Tax	\$	\$	-		5	- \$	•	
48 49		\$ - \$				\$ \$:		
50		\$ -	1			\$.		
51	Total Federal Income Tax	\$ -	<u> \$</u>		\$ -	\$	- \$ - \$		\$ - \$ -
52	Combined Federal and State Income Tax (L35 + L42)	-	\$	1	\$		- 12		<u>*</u>
53	COMBINED Applicable Federal Income Tax Rate [Col. [D], L51 - Col. [A], L51						0.0000%	0.00000	
54 55	WATER Applicable Federal Income Tax Rete (Col. [E], L51 - Col. [B], L51] / (C	ioi. [E], L45 - Côl. [8], L45]						0.0000%	
	Calculation of Interest Synchronization:				N/A				
56	Rate Base				\$ -				
	Weighted Average Cost of Debt			0.0000%	0.0000%				
58	Synchronized Interest (L45 X L46)	•	\$		• •				

Red Rock Ultiities, LLC - Water Division Test Year Ended December 31, 2013 Summary of Cost of Capital

Exhibit Schedule D-1 Page 1 Witness: Bourassa

Consildated Capital Structure of Water and Sewer Division

		Weighted	Cost O Co	5	9.50%	9.50%
ted Year		Cost			9.50%	
ind of Projected Yea	Percent	jo j	101al	900	100.00%	100.00%
Ш	_	Dollar	Amount	•	4,242,799	4,242,799 100.00%
		Weighted	Cost	9	9.50% 9.50%	9.50%
ar	Percent	Cost	Kate O O	200	9.50%	H
djusted End of Test Year			lotal 0 00%	8,00.0	100.00%	100.00%
Adju		Dollar	Amount	•	4,378,460	4,378,460

Long-Term Debt Member's Equity

Totals

Item of Capital

RECAP SCHEDULES: A-3

SUPPORTING SCHEDULES:

25 27 17

Red Rock Ultiities, LLC - Water Division Test Year Ended December 31, 2013 Cost of Long Term Debt

Schedule D-2 Exhibit

Page 1 Witness: Bourassa

***************************************	Weighted <u>Cost</u>	%000.0 %000.0	0.000%	
	Weign			
ected Year	Interest <u>Rate</u>	0.000% 0.000%		
End of Projected Year	Annual <u>Interest</u>		,	
	Amount Outstanding		₩	
	Weighted Cost	0.000% 0.000%	0.000%	
st Year	Interest <u>Rate</u>			
End of Test Year	Annual Interest			
	Amount Outstanding		φ.	
	Description of Debt		Totals	Supporting Schdules: E-1 E-2
	No P	- 2 6 4 5 9 7 8 6 7	<u> </u>	25 27 27 27 28 28 28 28 28 28 28 28 28 28 28 28 28

Red Rock Ultiities, LLC - Water Division Test Year Ended December 31, 2013

Cost of Preferred Stock

Exhibit Schedule D-3 Page 1 Witness: Bourassa

Line								
<u>No.</u>								
1		<u>En</u>	d of Test \	<u>′ear</u>		End o	f Projected	<u>l Year</u>
2 3	Description	Shares		Dividend		Shares		Dividend
4	of Issue		Amount	Requirement		Outstanding	Amount	Requirement
5		J		•		· ·		•
6						-		
7 8	NOT APPLICABLE, I	NO PREFERRE	ED STOCK	(ISSUED OR	OUTSTAN	DING		
9								
10								
11								
12								
13 14								
15								
16								
17								
18								
19 20								
20 21	SUPPORTING SCH	EDULES:			RECAP SO	CHEDULES:		
22	E-1	LO GLLG.			D-1	<u> </u>		
23								
24								
25 26								
26 27								
28								
29								
30								
31 32								
33								
34								
35								
36								
37 38								
39								
40								

Red Rock Ultiities, LLC - Water Division Test Year Ended December 31, 2013 Cost of Common Equity

Exhibit Schedule D-4 Page 1 Witness: Bourassa

Line No. 1		
2	The Company is proposing a cost of common equity of	9.50% .
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17	SUPPORTING SCHEDULES:	RECAP SCHEDULES:
18	E-1	D-1
19	Testimony	
20		

Red Rock Ultiities, LLC - Water Division Test Year Ended December 31, 2013 Comparative Balance Sheets

Exhibit Schedule E-1 Page 1 Witness: Bourassa

		Test						
		Year			Year		Year	
Line			Ended		Ended		Ended	
No.		1	<u>2/31/2013</u>	1	<u>2/31/2012</u>	1	<u>2/31/2011</u>	
1	ASSETS	_		_		_		
2	Plant In Service	\$	6,245,444	\$	6,234,788	\$	6,200,108	
3	Non-Utility Plant		-		-		-	
4	Construction Work in Progress		740.670		700 407		-	
5	Pland Hid for Future Use		719,573		709,407		341,135	
6 7	Less: Accumulated Depreciation		(1,901,802)	-	(1,592,511)		(1,283,821)	
8	Net Plant	\$	5,063,215	_\$	5,351,684		5,257,422	
9	Debt Reserve Fund	\$		\$		\$		
10	Debt Reserve Fulld	Φ	-	Ф	-	Φ	-	
11		\$		\$		-\$		
12		Ψ	-	Ψ				
13	CURRENT ASSETS							
14	Cash and Equivalents	\$	3,037	\$	41,559	\$	79,340	
15	Restricted Cash	Ψ	-	•		۳	.0,5.10	
16	Accounts Receivable, Net		28,623		17,310		62,106	
17	Inter-Division Receivable		1,685,351		1,475,166		1,565,665	
18	Notes Receivable		-		-		-	
19	Materials and Supplies		_		-		-	
20	Prepayments		-		_		_	
21	Other Current Assets		_		_		-	
22	Total Current Assets	\$	1,717,011	-\$	1,534,035	-\$	1,707,111	
23				<u> </u>	.,== .,===			
24	Unamortized Debt Discount							
25	Other Deferred Debits							
26	Deferred Debits	\$	-	\$		\$	-	
27								
28	Other Investments & Special Funds	\$	-	\$	-	\$	-	
29	·							
30	TOTAL ASSETS	\$	6,780,226	\$	6,885,719	\$	6,964,533	
31								
32								
33	LIABILITIES AND STOCKHOLDERS' EQUI	TY						
34								
35	Member Equity	\$	2,326,064	\$	2,476,587	\$	2,700,384	
36			•					
37	Long-Term Debt	\$		\$		\$	-	
38								
39	CURRENT LIABILITIES							
40	Accounts Payable	\$	(664)	\$	(246)	\$	(246)	
41	Current Portion of Long-Term Debt		-		-		-	
42	Payables to Associated Companies		492,077		373,211		143,209	
43	Security Deposits		44,505		54,029		48,016	
44	Customer Meter Deposits, Current		124,172		130,240		138,086	
45	Accrued Taxes		1,117		989		1,033	
46	Accrued Interest		-		-		-	
47	Other Current Liabilities		770		331		-	
48	Total Current Liabilities	\$	661,977	\$	558,554	\$	330,098	
49	DEFERRED CREDITS							
50	Customer Meter Deposits, less current	\$	-	\$	-	\$	-	
51	Advances in Aid of Construction		3,611,056		3,657,763		3,729,551	
52	Accumulated Deferred Income Taxes		-		-		-	
53	Contributions In Aid of Construction		233,715		233,715		233,715	
54	Accumulated Amortization		(52,586)	_	(40,900)	_	(29,215)	
55	Total Deferred Credits	\$	3,792,185	\$	3,850,578	\$	3,934,051	
56								
57	Total Liabilities & Common Equity	\$	6,780,226	_\$	6,885,719	_\$_	6,964,533	
58								
59								
60								
61	SUPPORTING SCHEDULES:			P	CAP SCHED	illi Et	Ç-	

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Red Rock Ultiities, LLC - Water Division Test Year Ended December 31, 2013 Comparative Income Statements

Exhibit Schedule E-2 Page 1 Witness: Bourassa

14			Test Year		Prior Year		Prior Year Ended
Line		40	Ended	10	Ended	4-	2/31/2011
<u>No.</u>	Davis	14	/31/2013	12	2/31/2012	12	13 112011
1	Revenues	æ	250 204	\$	201 054	\$	433,949
2	Metered Water Revenues	\$	359,204	Ф	301,8 54	Ф	433,948
3	Unmetered Water Revenues		0.076		- 46 713		0 252
4	Other Water Revenues	_	9,276	•	45,713	\$	8,352 442,301
5	Total Revenues	\$	368,480	\$	347,567	Ф	442,301
6	Operating Expenses	•	45.070	•	E7 600	Φ	E9 770
7	Salaries and Wages	\$	45,670	\$	57,688	\$	58,770
8	Employee Pensions and Benefits		1,564		(1,349)		(1,707)
9	Purchased Water		-		-		-
10	Purchased Power		20,220		18,897		22,023
11	Chemicals		2,365		4,959		2,145
12	Repairs and Maintenance		37,989		31,393		39,701
13	Office Supplies and Expense		884		796		2,239
14	Contractual Services - Engineering		. .				-
15	Contractual Services - Mgmnt Fee		60,000		56,000		46,000
16	Contractual Services - Legal & Accounting		27,776		33,688		25,638
17	Contractual Services - Other		16,914		12,109		3,299
18	Contractual Services - Water Testing		1,378		1,458		865
19	Rents		-		-		-
20	Transportation Expenses		-		-		-
21	Insurance - Vehicle		_		-		-
22	Insurance - General Liability		11,438		8,834		11,005
23	Insurance - Worker's Comp		-		-		=
24	Regulatory Commission Expense		-		-		-
25	Regulatory Commission Expense - Rate Case		-		-		-
26	Bad Debt Expense		-		-		-
27	Miscellaneous Expense		15,637		21,020		13,904
28	Sales Tax Expense		23,977		22,667		27,884
29	Depreciation Expense		297,605		297,005		296,543
30	Taxes Other Than Income		3,458		4,499		4,632
31	Property Taxes		2,128		1,998		1,969
32	Income Tax		-		-		-
33			-		-		-
34			-		_		
35	Total Operating Expenses	\$	569,003	\$	571,662	\$	554,910
36	Operating Income	\$	(200,523)	\$	(224,095)	\$	(112,609)
37	Other Income (Expense)		,		,		
38	Interest Income		4,859		299		565
39	Other Income		-		-		-
40	Interest Expense		_		_		-
41	Other Expense		•		_		-
42							
	Gain (loss) on Disposal of Equip		-		-		-
43	Gain (loss) on Disposal of Equip Total Other Income (Expense)	\$	4.859	\$	299	\$	565
43 44	Gain (loss) on Disposal of Equip Total Other Income (Expense) Net Profit (Loss)	\$	4,859 (195,664)	\$	299 (223,796)	\$	565 (112,044)

49

50

SUPPORTING SCHEDULES:

RECAP SCHEDULES:

A-2

Red Rock Ultiities, LLC - Water Division Test Year Ended December 31, 2013 Detail of Plant in Service

Exhibit Schedule E-5 Page 1

Witness: Bourassa

					Р	lant		
					Add	itions,		
				Plant	Red	class-		Plant
				Balance	icati	ons or		Balance
Line	Acct.			at		or		at
<u>No.</u>	<u>No.</u>	Plant Description	<u>1</u>	2/31/2012	<u>Retir</u>	ements	1	2/31/2013
1								
2	301	Organization Cost	\$	54,297	\$	-	\$	54,297
3	302	Franchise Cost		95,236		-		95,236
4	303	Land and Land Rights		32,810		-		32,810
5	304	Structures and Improvements		8,049		_		8,049
6	305	Collecting and Impounding Res.		-		-		-
7	306	Lake River and Other Intakes		_		-		-
8	307	Wells and Springs		691,317		-		691,317
9	308	Infiltration Galleries and Tunnels				_		
10	309	Supply Mains		_		_		-
11	310	Power Generation Equipment		51,082		_		51,082
12	311	Electric Pumping Equipment				_		,
13	320	Water Treatment Equipment		573,066		_		573,066
14	320	Water Treatment Equipment		-		_		0.0,000
15		Water Treatment Plant		_		_		_
16	320.2			1,454,518				1,454,518
17	330	Dist. Reservoirs & Standpipe				_		1, 10 1,0 10
18	330.1			_		_		_
19		Pressure Tanks		2,343,549				2,343,549
20	333	Services		518,785		_		518,785
21	334	Meters		·		10.656		154,334
22	335			143,678		10,050		
23	336	Hydrants Restrict Proportion Devices		208,018		-		208,018
23 24	339	Backflow Prevention Devices		- 651		-		- 651
		Other Plant and Miscellaneous Equipment		651 5.753		-		
25	340	Office Furniture and Fixtures		5,752		-		5,752
26	340.1	Computer Sftware & Equipment		- 0.004		-		0.004
27	341	Transportation Equipment		8,224		-		8,224
28	342	Stores Equipment		3,836		-		3,836
29	343	Tools and Work Equipment		2,856		-		2,856
30	344	Laboratory Equipment		14,718				14,718
31	345	Power Operated Equipment		18,224		-		18,224
32	346	Communications Equipment				-		~ .
33	347	Miscellaneous Equipment		6,124		-		6,124
34	348	Other Tangible Plant		-		-		~
35								
36								
37		TOTAL WATER PLANT	\$	6,234,790	\$	10,656	\$	6,245,446
38								
39	<u>SUPPO</u>	RTING SCHEDULES			RECA	P SCHEE	UL	<u>E\$:</u>
40					A-4			

40 41

42

A-4 E-1

Red Rock Ultities, LLC - Water Division Test Year Ended December 31, 2013 Operating Statistics

Exhibit Schedule E-7 Page 1 Witness: Bouras

Line No. 1 2 3	WATER STATISTICS:	<u>1:</u>	Test Year Ended <u>2/31/2013</u>		Prior Year Ended /31/2012	<u>12</u>	Prior Year Ended 2/31/2011
4 5 6 7 8	Total Gallons Sold (in Thousands)		52,647		45,527		54,238
9 10 11 12 13	Water Revenues from Customers:	\$	359,204	\$	301,854	\$	433,949
14 15 16	Year End Number of Customers		586		606		573
17 18 19 20 21	Annual Gallons (in Thousands) Sold Per Year End Customer		90		75		95
22 23	Annual Revenue per Year End Customer	\$	612.98	\$	4 98.1 1	\$	757.33
24 25	Pumping Cost Per 1,000 Gallons Purchased Water Cost per 1,000 Gallons	\$ \$	0.3841 -	\$ \$	0.4151 -	\$ \$	0.4 0 60 -

Red Rock Ultiities, LLC - Water Division

Test Year Ended December 31, 2013
Taxes Charged to Operations

Exhibit Schedule E-8 Page 1 Witness: Bourassa

			T	est		Prior	Prior		
			Y	ear	•	Year		Year	
Line			En	ded	Е	nded	E	nded	
<u>No.</u>		1	2/31	<u>1/2013</u>	<u>12/</u>	<u>31/2012</u>	<u>12/</u>	31/2011	
1	<u>Description</u>								
2									
3	State Income Taxes	\$;	-	\$	-	\$	-	
4	Federal Income Taxes			-		-		-	
5	Payroll Taxes			3,458		4,499		4,632	
6	Property Taxes			2,128		1,998		1,969	
7									
8	Totals	3	5	5,586	\$	6,497	\$	6,601	
9		-		·					

Red Rock Ultities, LLC - Water Division Test Year Ended December 31, 2013 Notes To Financial Statements

Exhibit Schedule E-9 Page 1 Witness: Bourassa

Line No.

The Company does not conduct independent audits, reviews and/or compilations. Accordingly, there are no notes which are typically associated with these financial statements. Management makes the following notations to the financial statements contained herein:

Significant Accounting Policies - The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America and the accounting records of the are are maintained in accordance with the uniform system of accounts as prescribed by the National Association of Regulatory Utility Commissioners (USOA 1996). Significant accounting policies are as follows:

Utility Plant - Property, plant and equipment is stated at cost less accumulated depreciation provided on a straight-line basis.

Depreciation rates for asset classes of utility property, plant and equipment are established by the Commission. The cost of additions, including betterments and replacements of units of utility fixed assets are charged to utility property, plant and equipment. When units of utility property are replaced, renewed or retired, their cost plus removal or disposal costs, less salvage proceeds, is charged to accumulated depreciation.

Revenue Recognition - Revenues are recognized on the accrual method. Under this method, revenue is recognized when earned rather than when collected, and expenses are recognized when incurred rather than when paid.

Contributions in Aid of Construction - Contributions in aid of construction (CIAC) are nonrefundable contributions by developers and customers for plant expansion. In addition, this amount includes the remaining balance, if any, of advances in aid of construction at the end of the repayment period. The contributions in aid of construction are being amortized at a rate equal to the rate allowed for depreciation, as a reduction of depreciation expense

Advances in Aid of Construction - Customer advances for construction are subject to refund in accordance with agreements approved by the Arizona Corporation Commission. Agreements provide for refunds which are typically equal to 10 percent of annual water revenue generated from the expansion. The repayments are for a maximum agreed upon period or until repaid in full. Any balance remaining at the end of the agreed-upon period for repayment becomes a contribution in aid of construction.

Red Rock Ultiities, LLC - Water Division

Test Year Ended December 31, 2013
Projected Income Statements - Present & Proposed Rates

Exhibit Schedule F-1 Page 1

Witness: Bourassa

Line <u>No.</u>			Test Year Actual <u>Results</u>		At Present Rates Year Ended 12/31/2014		Proposed Rates Year Ended 2/31/2014
1	Revenues			_		_	
2	Metered Water Revenues	\$	359,204	\$	523,770	\$	538,249
3	Unmetered Water Revenues				-		-
4	Other Water Revenues		9,276		9,276		9,276
5		\$	368,480	\$	533,046	\$	547,525
6	Operating Expenses					_	
7	Salaries and Wages	\$	45,670	\$	45,670	\$	45,670
8	Salaries and Wages - Officers and Directors		1,564		1,564		1,564
9	Employee Pensions and Benefits		-		-		-
10	Purchased Water		20,220		29,723		29,723
11	Purchased Power		2,365		2,365		2,365
12	Chemicals		37,989		37,989		37,989
13	Repairs and Maintenance		884		884		884
14	Office Supplies and Expense		-		-		-
15	Contractual Services - Engineering		60,000		60,000		60,000
16	Contractual Services - Accounting		27,776		27,776		27,776
17	Contractual Services - Legal		16,914		16,914		16,914
18	Contractual Services - Other		1,378		1,378		1,378
19	Contractual Services - Water Testing		-		_		-
20	Rents - Equipment		-		_		-
21	Transportation Expenses		-		-		_
22	Insurance - Vehicle		11,438		11,438		11,438
23	Insurance - General Liability		-		•		· -
24	Insurance - Worker's Comp		_		-		_
25	Regulatory Commission Expense		-		5,000		5,000
26	Regulatory Commission Expense - Rate Case		_		_		· <u>-</u>
27	Bad Debt Expense		15,637		13,358		13,358
28	Miscellaneous Expense		23,977		-		_
29	Depreciation Expense		297,605		132,265		132,265
30	Taxes Other Than Income		3,458		3,458		3,458
31	Property Taxes		2,128		26,568		26,809
32	Income Tax		2,120		20,000		-
33	moonie Tax						
34	Total Operating Expenses	\$	569,003	\$	416,350	\$	416,591
35	Operating Income	\$	(200,523)		116,695	\$	130,934
36	Other Income (Expense)	Ψ	(200,020)	Ψ	110,000	Ψ	100,00-1
			4,859		4,859		4,859
37 38	Interest Income Other income		4,009		4,008		- ,000
			-		-		_
39 40	Interest Expense		-		-		-
40	Other Expense		-		-		-
41	Gain/Loss Sale of Fixed Assets	ው	4.050	æ	4.050	Φ	4 950
42	Total Other Income (Expense)	\$	4,859	\$	4,859	<u>\$</u> \$	4,859 135,793
43	Net Profit (Loss)	\$	(195,664)	Þ	121,554	φ	135,783
44							

SUPPORTING SCHEDULES:

C-1

Red Rock Ultiities, LLC - Water Division

Test Year Ended December 31, 2013 Projected Statements of Changes in Financial Position Present and Proposed Rates Exhibit Schedule F-2 Page 1 Witness: Bourassa

Line							
No.				Α	t Present	Α	t Proposed
1					Rates		Rates
2		Ţ	est Year		Year		Year
3			Ended		Ended		Ended
4		12	2/31/2013	12	2/31/2014	1	2/31/2014
5	Cash Flows from Operating Activities						
6	Net Income	\$	(195,664)	\$	121,554	\$	135,793
7	Adjustments to reconcile net income to net cash		,				
8	provided by operating activities:						
9	Depreciation and Amortization		297,605		297,005		296,543
10	Depreciation Adjustments		-				
11	Changes in Certain Assets and Liabilities:						
12	Accounts Receivable		(11,313)				
13	Unbilled Revenues		-				
14	Materials and Supplies Inventory		-				
15	Prepaid Expenses		-				
16	Security Deposits		(9,524)				
17	Notes Receivable		(210,185)				
18	Accounts Payable		(418)				
19	Intercompany payable		118,866				
20	Customer Meter Deposits		(6,068)				
21	Taxes Payable		128				
22	Other assets and liabilities		439				
23	Net Cash Flow provided by Operating Activities	\$	(16,134)	\$	418,559	\$	432,336
24	Cash Flow From Investing Activities:						
25	Capital Expenditures		(20,822)		(40,000)		(40,000)
26	Plant Held for Future Use		-				
27	Changes in debt reserve fund		-				
28	Net Cash Flows from Investing Activities	\$	(20,822)	\$	(40,000)	\$	(40,000)
29	Cash Flow From Financing Activities						
30	Change in Restricted Cash		-				
31	Change in net amounts due to parent and affiliates		-				
32	Net Receipt contributions in aid of construction		•		-		-
33	Net receipts of advances in aid of construction		(46,707)		(46,707)		(46,707)
34	Repayments of Long-Term Debt		-		-		-
35	Dividends Paid		-		-		-
36	Deferred Financing Costs		-		-		-
37	Paid in Capital		45,141		-		*
38	Net Cash Flows Provided by Financing Activities	\$	(1,566)	\$		\$	(46,707)
39	Increase(decrease) in Cash and Cash Equivalents		(38,522)		331,852		345,629
40	Cash and Cash Equivalents at Beginning of Year		41,559		3,037	_	3,037
41	Cash and Cash Equivalents at End of Year	\$	3,037	\$	334,889	\$	348,666
40							

42 43 44

45

46

SUPPORTING SCHEDULES:

Red Rock Ultiities, LLC - Water Division Test Year Ended December 31, 2013 Projected Construction Requirements

Exhibit Schedule F-3

Page 1 Witness: Bourassa

Line No. 1					
2	Account				
3	Number	Plant Asset:	J	est Year	<u>2014</u>
4	301	Organization Cost	\$	-	
5	302	Franchise Cost		-	
6	303	Land and Land Rights		-	
7	304	Structures and Improvements		-	
8	305	Collecting and Impounding Res.		-	
9	306	Lake River and Other Intakes		-	
10	307	Wells and Springs		-	
11	308	Infiltration Galleries and Tunnels		-	
12	309	Supply Mains		-	
13	310	Power Generation Equipment		-	
14	311	Electric Pumping Equipment		-	20,000
15	320	Water Treatment Equipment		-	
16	320	Water Treatment Equipment		-	
17	320.1	Water Treatment Plant		-	
18	320.2	Chemical Solution Feeders		-	
19	330	Dist. Reservoirs & Standpipe		-	
20	330.1	Storage tanks		-	
21	330.2	Pressure Tanks		-	
22	333	Services		-	
23	334	Meters		10,656	10,000
24	335	Hydrants		-	
25	336	Backflow Prevention Devices		-	
26	339	Other Plant and Miscellaneous Equipment		-	
27	340	Office Furniture and Fixtures		- ·	
28	341	Transportation Equipment		-	
29	342	Stores Equipment		-	
30	343	Tools and Work Equipment		-	
31	344	Laboratory Equipment		-	
32	345	Power Operated Equipment		-	
33	346	Communications Equipment		-	10,000
34	347	Miscellaneous Equipment		-	
35	348	Other Tangible Plant		-	
36				-	
37	Total		\$	10,656 \$	40,000
38					
39					
40					

Red Rock Ultitites, LLC - Water Division Test Year Ended December 31, 2013 Assumptions Used in Rate Filing

Exhibit Schedule F-4 Page 1 Witness: Bourassa

		Witness:	Bouras
Line			
<u>No.</u>			
1	Property Taxes were computed using the method used by the Arizona Departs	ment	
2	of Revenue modified for ratemaking.		
3			
4	Projected construction expenditures are shown on Schedule A-4.		
5			
6	Expense adjustments are shown on Schedule C2, and are explained in the te	estimony.	
, 8			
9			
10			
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Red Rock Utilities, LLC - Water Division Revenue Summary Test Year Ended December 31, 2013

Exhibit Schedule H-1 Page 1 Witness: Bourassa

<u>Meter Size</u> 5/8x3/4 Inch	<u>Classification</u> Residential	↔	Total Revenues at Present Rates 268,205 \$	Total Revenues at Proposed Rates 273,676	Cha Cha	Dollar <u>Change</u> 5,471	Percent <u>Change</u> 2.04%	Percent of Present Water Revenues 50.32%	Percent of Proposed Water Revenues 49.98%
5/8x3/4 Inch 2 Inch	Commercial Commercial		742 11,929	749 12,566		7 636	0.96% 5.33%	0.14% 2.24%	0.14%
1 Inch 2 Inch	Irrigation Irrigation		7,206 5,201	7,617 5,445		411 244	5.70% 4.69%	1.35% 0.98%	1.39% 0.99%
	Bulk Hydrant(standpipe)		31,242 19,341	34,017 21,076		2,775 1,736	8.88% 8.97%	5.86% 3.63%	6.21% 3.85%
Subtotals of Revenues Revenue Annualizations:	venues alizations:	€	343,866 \$	355,145	s s	11,280	3.28%	64.51%	64.86%
Revenues from Projec (See Adjustment #4 or	Revenues from Projected Growth (See Adjustment #4 on C-2, page 5)	(s)	179,937 \$	182,522	↔	2,585	1.44%	33.76%	33.34%
Subtotal Reven	Subtotal Revenue Annualization		179,937	182,522		2,585	1.44%	33.76%	34.24%
Total Revenues w/ Ai Misc Revenues Reconciling Amount Total Revenues	Total Revenues w/ Annualization Misc Revenues Reconciling Amount Total Revenues	и	523,802 \$ 9,276 (33)	537,668 9,276 582 547,526	မာ မာ	13,865 - 615 14,480	2.65% 0.00% -1863.64% 2.72%	98.27% 1.74% -0.01% 100.00%	98.20% 1.69% 0.11% 100.00%
Reconciliation to GL Rev Metered Revenues Per GL Revenue Accruals	to GL Revenues les Per GL als	69	359,204 (15,371)						
Adjusted Metere	Adjusted Metered Revenues per GL	49	343,833						
Bill Count Rev. befor Difference % Difference Tolerance (+/- 0.5%) Acceptable	Bill Count Rev. before Annualization Difference % Difference Tolerance (+/- 0.5%) Acceptable	₩ ₩	343,866 (33) -0.01% 1,719 Yes						

Red Rock Utilities, LLC - Water Division Analysis of Revenue by Detailed Class Test Year Ended December 31, 2013

Exhibit Schedule H-2

	Bourassa
rage -	Witness:

	Percent	ot stomers	97.62%		0.34%	0.34%		0.57%	0.17%		0.84%	0.13%					100.00%							
	rease	Percent	1.44%		0.76%	5.33%		5.33%	4.68%		8.85%	8.97%												
	Proposed Increase	Dollar	0.54		0.23	26.46		9.16	20.24		46.52	192.85												
			↔																					
	≣I.	Proposed Rates	38.03		30.78	523.11		181.04	453.09		572.13	2,341,80												
	Average Bill	_	₩																					
	Aver	Present Rates	37.49		30.55	496.65		171.88	432.85		525.61	2,148,95												
			H					€9																
	•	Average Consumption	5,155		2,313	77,027		31,892	63,551		138.618	551.013	<u>-</u>											
(a) Average Number of	Customers	at 12/31/2013	575		2	2		က	_		ις.	•					589			586				
		Classification and/or Meter Size	5/8x3/4 Inch Residential		5/8x3/4 Inch Commercial	2 Inch Commercial		1 Inch Irrigation	2 Inch Irrigation		e z	Hydrant/standnine)					Totals		Actual Year End Number	of Customers:				
	,	Line N	-	7	က	4	Ŋ	ဖ	~	ω .	თ ⊊	; ;	. 2	1 3	<u> </u>	ច ត	7 2	18	61	20	24	8	53	24

Red Rock Utilities, LLC - Water Division Analysis of Revenue by Detailed Class Test Year Ended December 31, 2013

Exhibit Schedule H-2 Page 2 Witness: Bourassa

í	Percent of	Customers	97.95%		0.00%	0.34%		0.57%	0.17%		0.84%	0.13%				100.00%							
,	ncrease Percent	Amount	1.26%		0.67%	2.70%		1.47%	3.52%		8.83%	8.97%				1 1	I						
:	Proposed Increase Dollar Percer	Amount	0.45		0.20	7.81		1.13	12.00		40.72	111.11											
			₩.		_	_		⇔	_		٥.												
:	3iii Proposed	Rates	36.25		30.00	296.69		77.80	353.00		501.72	1,349.1											
	an		↔					↔	₩		↔	63											
:	Median Bill Present Pro	Rates	35.80		29.80	288.88		76.68	341.00		461.00	1,238.05											
			↔					↔	↔		↔	€7											
	Median	Consumption	4,500		2,000	23,750		4,500	40,000		122,051	317,448											
(a) Average Number of	<u>Customers</u> at	12/31/2013	575		•	2		က	~		មា	~				285			586				
	Customer Classification	and/or Meter Size	5/8x3/4 Inch Residential		5/8x3/4 Inch Commercial	2 Inch Commercial		Inch Irrigation	2 Inch Irrigation		Bulk	Hydrant(standpipe)				Totals		Actual Year End Number	of Customers:				
	Line	ŝ		CI.	60		ഗ		~	m	m	0	_	7	<u>რ</u> 4		9		18	19	50	21	24
	Ë	Z		- •	- •	•		_	•			_	_	₹-		_	_	_	-	τ-	.4		- 14

Red Rock Utilities, LLC - Water Division Test Year Ended December 31, 2013 Present and Proposed Rates

Exhibit Schedule H-3 Page 1

Monthly Usage Charge for:	Present <u>Rates</u>	Proposed <u>Rates</u>	75	Change	Percent Change
Meer Size (All Classes, except Standpipe/Bulk). 5/8x3/4 Inch 3/4 Inch	\$ 25.00	М 15 Ф	25.00 \$ 37.50		0.00%
1 Inch 1 1/2 lock	62.50	. Q Ç	62.50		%00'0
2 Inch	200.00	20.5	200.00	•	00:00
3 Inch	375.00	4	400.00	25.00	6.67%
4 Inch	625.00	85	625.00	•	0.00%
6 Inch	1,250.00	1,250.00	00.0	•	0.00%
Gallons In Minimum (All Classes, except irrigation)			•		
		(Per	(Per 1,000 gallons)	llons)	
Commodity Rates	Block	Present <u>Rate</u>		Proposed Rate	
5/8x3/4 Inch - All Classes, Except Irrigation	1 gallons to 5,000 gallons	€9	2.40 \$		
	5,001 gallons to 10,000 gallons	€9	3.15 \$		
	over 10,000 gallons		3.90 \$	4.25	
3/4 Inch and Larger - All Classes, Except Irrigation	1 gallons to 5,000 gallons	69	3.15 \$	3.40	
	over 5,000 gallons		3.90		
Irrination - All Motor Gizac	Over Minimum up to 20 000 gallons		6. 5.		
	Over 20,000 gallons	· 65		4.25	
Standpipe/Bulk	All gallons	€9	4.25 \$	4.25	
NT = No Tariff					

 $\frac{|\nabla v|^2}{|\nabla v|^2} = \frac{|\nabla v|^2}{|\nabla v|^2}$

Red Rock Utilities, LLC - Water Division

Exhibit Schedule H-3 Page 3 Witness: Bourassa

Present and Proposed Rates Test Year Ended December 31, 2013

	101	Proposed	Charge	400.00	440.00	500.00	715.00	1,170.00	1,700.00	1,585.00	2,190.00	2,540.00	3,215.00	4,815.00	6,270.00
Proposed		ation		()											
	Proposed	Line	Charge												
	Total	Present	Charge	400.00	440.00	200.00	715.00	1,170.00	1,700.00	1,585.00	2,190.00	2,540.00	3,215.00	4,815.00	6,270.00
resent	vleter setall	ation	harge	S											
		Line													
ELine Charge									P						
deter and Service Line Charges				: x 3/4 Inch	· Inch	-ch	/2 Inch	nch Turbo	nch, Compoun	nch Turbo	nch, compound	nch Turbo	nch, compount	nch Turbo	6 Inch, compound
Line No. 1 Me	თ •	+ ro	9	7 5/8	8 3/4	9	10 11	11 2 11	12 21	13 3 h	14 3 1	15 4 h	16 41	17 61	18 61

_	2000
 Based on ACC Staff Engineering Memo dated Feburary Z1, Zuus NT = No Tariff 	ırary z ı, zuuo
23 Other Charges:	
24 of	
26 Establishment	\$ 25.00
•	\$ 50.00
28 Re-establishment (within 12 months)	*
29 Reconnection (Deliquent)	\$ 30.00
30 Meter Test (if correct)	IN
	\$ 15.00
•	*
33 Deposit Interest	**
34 NSF Check	\$ 25.00
35 Deferred Payment, per month	1.5%
36 Late Payment Charge (per month)	1.5%
37 After hours service charge, per hour***	\$ 50.00
38 Charge for moving meter at customer request	Cost
98	
40	
41	
42	
-	

25.00	50.00		30.00	30.00	15.00			25.00	1.5%	1.5%	20.00	ıt			
€>	S	4	↔	\$	\$	*	*	æ			÷	Cost			

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^{46 **} Per Rule R14-2-403.B
47 *** Applies to all service provided after hours and at customer request for after hours service.
48 NT = No Tariff

Bill Comparison of Present and Proposed Rates Customer Classification Residential 5/8x3/4 Inch Meter Test Year Ended December 31, 2013 Red Rock Utilities, LLC - Water Division (Excludes all Revenue Related Taxes)

Page 1 Witness: Bourassa Exhibit Schedule H-4

				₩			77	43	₩					07			₩,	07	0)									
			tes:	ilmum:	Ainimum	Charge Per 1,000 Gallons	5,000	10,000	10,000				Rates:	ıimum:	Ainimum	Charge Per 1,000 Gallons	5,000	10,000	10,000									
			Present Rates:	Monthly Minimum:	Gallons in Minimum	Charge Per	Up to	Up to	Over				Proposed Rates:	Monthly Minimum:	Gallons in Minimum	Charge Per	Up to	Up to	Over									
Percent	Increase	0.00%	0.36%	0.67%	0.93%	1.16%	1.35%	1.87%	2.31%	2.69%	3.02%	3.32%	4.05%	4.61%	2.06%	5.42%	5.72%	6.29%	%69'9	6.99%	7.22%	7.40%	7.54%	7.77%	7.93%	8.06%	8.16%	8.24%
Dollar	Increase	•	0.10	0.20	0.30	0.40	0.50	0.75	1.00	1.25	1.50	1.75	2.45	3.15	3.85	4.55	5.25	2.00	8.75	10.50	12.25	14.00	15.75	19.25	3 22.75	3 26.25	\$ 29.75	33.25
	,	₩	₩	₩	₩	6)	↔	₩	₩	₩	₩,	6)	6)	↔	₩	₩,	₩	↔	0)	07	47	07	97	07	97	69	97	07
Proposed		\$ 25.00	27.50	30.00	32.50	35.00	37.50	40.90	44.30	47.70	51.10	54.50	63.00	71.50	80.00	88.50	97.00	118.25	139.50	160.75	182.00	203.25	224.50	267.00	309.50	352.00	394.50	437.00
Present	Ш	\$ 25.00	27.40	29.80	32.20	34.60	37.00	40.15	43.30	46.45	49.60	52.75	60.55	68.35	76.15	83.95	91.75	111.25	130.75	150.25	169.75	189.25	208.75	247.75	286.75	325.75	364.75	403.75
	Usage		1,000	2,000	3,000	4,000	5,000	6,000	7,000	8,000	000'6	10,000	12,000	14,000	16,000	18,000	20,000	25,000	30,000	35,000	40,000	45,000	50,000	000'09	70,000	80,000	90,000	100,000

2.50 3.40 4.25

25.00

2.40 3.15 3.90

25.00

1.44%	1.26%
0.54	0.45
₩	ь
38.03 \$	36.25
↔	↔
37.49	35.80
Average Usage 5,155 \$	Median Usage 4,500 \$

Red Rock Utilities, LLC - Water Division
Bill Comparison of Present and Proposed Rates
Customer Classification Commercial 5/8x3/4 Inch Meter
Test Year Ended December 31, 2013
(Excludes all Revenue Related Taxes)

Exhibit Schedule H-4 Page 1 Witness: Bourassa 25.00

2.40 3.15 3.90

				₩			₩	↔	₩					₩			₩	⊕	₩									
						allons	5,000	10,000	10,000							allons	5,000	10,000	10,000									
			Present Rates:	Monthly Minimum:	Gallons in Minimum	Charge Per 1,000 Gallons	Up to	Up to	Over				Proposed Rates:	Monthly Minimum:	Gallons in Minimum	Charge Per 1,000 Gallons	Up to	Up to	Over									
Percent	Increase	0.00%	0.36%	0.67%	0.93%	1.16%	1.35%	1.87%	2.31%	2.69%	3.02%	3.32%	4.05%	4.61%	2.06%	5.42%	5.72%	6.29%	6.69%	6.99%	7.22%	7.40%	7.54%	7.77%	7.93%	8.06%	8.16%	8.24%
Dollar	Increase	•	0.10	0.20	0.30	0.40	0.50	0.75	1.00	1.25	1.50	1.75	2.45	3.15	3.85	4.55	5.25	7.00	8.75	10.50	12.25	14.00	15.75	19.25	22.75	26.25	29.75	33.25
		₩	↔	↔	₩	↔	↔	↔	↔	₩	↔	↔	↔	₩	₩	Ð	₩	₩	₩	₩	₩	(/)	↔	₩	↔	₩	₩	↔
Proposed	副	\$ 25.00	27.50	30.00	32.50	35.00	37.50	40.90	44.30	47.70	51.10	54.50	63.00	71.50	80.00	88.50	97.00	118.25	139.50	160.75	182.00	203.25	224.50	267.00	309.50	352.00	394.50	437.00
Present	圖	\$ 25.00	27.40	29.80	32.20	34.60	37.00	40.15	43.30	46.45	49.60	52.75	60.55	68.35	76.15	83.95	91.75	111.25	130.75	150.25	169.75	189.25	208.75	247.75	286.75	325.75	364.75	403.75
	Usage	ı	1,000	2,000	3,000	4,000	5,000	6,000	7,000	8,000	000'6	10,000	12,000	14,000	16,000	18,000	20,000	25,000	30,000	35,000	40,000	45,000	50,000	60,000	70,000	80,000	000'06	100,000

2.50 3.40 4.25

25.00

Average Usage

0.76%	0.67%
0.23	0.20
€	₩
30.78 \$	30.00
⇔	€9
30,55	29.80
Average Usage 2,313 \$	2,000 \$

Red Rock Utilities, LLC - Water Division
Bill Comparison of Present and Proposed Rates
Customer Classification Commerical 2 Inch Meter
Test Year Ended December 31, 2013

Exhibit Schedule H-4 Page 3 Witness: Bourassa

				200.00	Ī		3.15	3.90						200.00	1		3.40	4.25													
				₩			₩	₩						↔			ι	₩													
			Present Rates:	Monthly Minimum:	Gallons in Minimum	Charge Per 1,000 Gallons	Up to 5,000						Proposed Rates:	Monthly Minimum:	Gallons in Minimum	Charge Per 1,000 Gallons	Up to 5,000	Over 5,000													
Percent	Increase	%00'0	0.12% F	0.24% N	0.36%	0.47% C	0.58% L	0.73% C	0.87%	1.01%	1.15%	1.28%	1.52% F	_	_				3.19%	3.53%	3.83%	4.10%	4.35%	4.76%	5.11%	5.41%	2.66%	5.88%		5.33%	2.70%
Dollar	ncrease	•	0.25	0.50	0.75	1.00	1.25	1.60	1.95	2.30	2.65	3.00	3.70	4.40	5.10	5.80	6.50	8.25	10.00	11.75	13.50	15.25	17.00	20.50	24.00	27.50	31.00	34.50		26.46	7.81
	=1	↔ _	⇔ _	⇔ _	⇔ _	⇔ _	•	₩	⇔ _	€ Э	₩.	€	⇔	₩	₩	63	(/)	₩.	₩	<i>₩</i>	₩.	↔	€7	₩.	⇔	⇔	₩	⇔		₩	↔
Proposed	iii	200.00	203.40	206.80	210.20	213.60	217.00	221.25	225.50	229.75	234.00	238.25	246.75	255.25	263.75	272.25	280.75	302.00	323.25	344.50	365.75	387.00	408.25	450.75	493.25	535.75	578.25	620.75		523.11	296.69
ā		₩																												↔	₩
Present	E E	200.00	203.15	206.30	209.45	212.60	215.75	219.65	223.55	227.45	231.35	235.25	243.05	250.85	258.65	266.45	274.25	293.75	313.25	332.75	352.25	371.75	391.25	430.25	469.25	508.25	547.25	586.25		496.65	288.88
ā	Usage	₩,	1,000	2,000	3,000	4,000	5,000	6,000	7,000	8,000	000'6	10,000	12,000	14,000	16,000	18,000	20,000	25,000	30,000	35,000	40,000	45,000	50,000	000'09	70,000	80,000	000'06	100,000	Average 11sage	77,027 \$	Median Usage 23,750 \$

Red Rock Utilities, LLC - Water Division
Bill Comparison of Present and Proposed Rates
Customer Classification Irrigation 1 Inch
Test Year Ended December 31, 2013
(Excludes all Revenue Related Taxes)

Exhibit Schedule H-4 Page 1 Witness: Bourassa 62.50

3.15

				₩			69	ь						₩			€	€													
			i.e		mnm	000 Gallons	20,000	20,000					es:		mum	00 Gallons	20,000	20,000													
			Present Rates:	Monthly Minimum:	Gallons in Minimum	Charge Per 1,000 Gallons	Up to	Over					Proposed Rates:	Monthly Minimum:	Gallons in Minimum	Charge Per 1,000 Gallons	Up to	Over													
Percent	Increase	0.00%	0.38%	0.73%	1.04%	1.33%	1.60%	1.84%	2.07%	2.28%	2.48%	2.66%	2.99%	3.28%	3.54%	3.78%	3.98%	4.66%	5.17%	5.57%	2.90%	6.17%	6.39%	6.75%	7.02%	7.23%	7.40%	7.54%		5.33%	1.47%
Dollar	Increase	i	0.25	0.50	0.75	1.00	1.25	1.50	1.75	2.00	2.25	2.50	3.00	3.50	4.00	4.50	5.00	6.75	8.50	10.25	12.00	13.75	15.50	19.00	22.50	26.00	29.50	33.00		9.16	1.13
		₩	(/)	₩	↔	69	↔	↔	₩	₩	↔	↔	4	↔	↔	4	↔	₩	↔	€>	↔	₩	↔	↔	↔	(/)	₩	₩		₩	69
Proposed		\$ 62.50	65.90	69.30	72.70	76.10	79.50	82.90	86.30	89.70	93.10	96.50	103.30	110.10	116.90	123.70	130.50	151.75	173.00	194.25	215.50	236.75	258.00	300.50	343.00	385.50	428.00	470.50		\$ 181.04	\$ 77.80
Present	<u>=</u>	62.50	65.65	68.80	71.95	75.10	78.25	81.40	84.55	87,70	90.85	94.00	100.30	106.60	112.90	119.20	125.50	145.00	164.50	184.00	203.50	223.00	242.50	281.50	320.50	359.50	398.50	437.50		171.88	76.68
ŭ.	Usage	(Л	1,000	2,000	3,000	4,000	5,000	6,000	7,000	8,000	000'6	10,000	12,000	14,000	16,000	18,000	20,000	25,000	30,000	35,000	40,000	45,000	50,000	000'09	70,000	80,000	000'06	100,000	Average Usage	31,892 \$	Median Usage 4,500 \$

3.40

62.50

Red Rock Utilities, LLC - Water Division Bill Comparison of Present and Proposed Rates Customer Classification Irrigation 2 Inch Test Year Ended December 31, 2013 (Excludes all Revenue Related Taxes)

Witness: Bourassa Schedule H-4 Page 5 Exhibit

			200.00	•		3.15	3.90						200.00	ı		3.40	4.25													
			↔			↔	↔						(A)			(/)	₩													
			. <u>.</u>	mn	0 Gallons	20,000	20,000					iá	.;.	unu	0 Gallons	20,000	20,000													
		Present Rates:	Monthly Minimum:	Gallons in Minimum	Charge Per 1,000 Gallons	Up to	Over					Proposed Rates:	Monthly Minimum:	Gallons in Minimum	Charge Per 1,000 Gallons	Up to	Over													
Percent	0.00%	0.12%	0.24%	0.36%	0.47%	0.58%	0.69%	0.79%	0.89%	0.99%	1.08%	1.26%	1.43%	1.60%	1.75%	1.90%	2.39%	2.81%	3.19%	3.52%	3.81%	4.08%	4.53%	4.91%	5.23%	2.50%	5.74%	4.68%		3.52%
Dollar	1000	0.25	0.50	0.75	1.00	1.25	1.50	1.75	2.00	2.25	2.50	3.00	3.50	4.00	4.50	5.00	6.75	8.50	10.25	12.00	13.75	15.50	19.00	22.50	26.00	29.50	33.00	20.24	٠	12.00
2	≣I ∳	↔	₩	↔	↔	↔	↔	₩	θĐ	₩	63	₩	↔	υĐ	₩	↔	63	ઝ	₩	(/)	↔	↔	↔	↔	↔	₩	↔	↔		₩
Proposed	200.00	203.40	206.80	210.20	213.60	217.00	220.40	223.80	227.20	230.60	234.00	240.80	247.60	254.40	261.20	268.00	289.25	310.50	331.75	353.00	374.25	395.50	438.00	480.50	523.00	565.50	608.00	453.09		353.00
ģ	₩																											₩		↔
Present	200.00	203.15	206.30	209.45	212.60	215.75	218.90	222.05	225.20	228.35	231.50	237.80	244.10	250.40	256.70	263.00	282.50	302.00	321.50	341.00	360.50	380.00	419.00	458.00	497.00	536.00	575.00	432.85		341.00
<u> </u>	- \$	1,000	2,000	3,000	4,000	2,000	6,000	2,000	8,000	000'6	10,000	12,000	14,000	16,000	18,000	20,000	25,000	30,000	35,000	40,000	45,000	20,000	60,000	70,000	80,000	000'06	100,000	 Average Usage 63,551 \$	Median Usage	40,000 \$

Red Rock Utilities, LLC - Water Division
Bill Comparison of Present and Proposed Rates
Customer Classification
Test Year Ended December 31, 2013
(Excludes all Revenue Related Taxes)

Exhibit Schedule H-4 Page 6 Witness: Bourassa

ω G 4 Charge Per 1,000 Gallons Charge Per 1,000 Gallons Gallons in Minimum Gallons in Minimum Monthly Minimum: Monthly Minimum: Proposed Rates: Present Rates: All Gallons All Gallons 8.97% 8.97% 8.97% 8.97% 8.97% 8.97% 8.97% 8.97% 8.97% 8.97% 8.97% 8.97% 8.97% 8.97% 8.97% 8.97% 8.97% 0.00% 8.97% 8.97% 8.97% 8.97% 8.97% 8.97% 8.97% ncrease Percent 2.45 2.80 3.15 3.50 4.20 4.90 7.00 15.75 17.50 21.00 24.50 28.00 Increase 2.10 5.60 6.30 8.75 10.50 12.25 14.00 \$ 192.85 Dollar \$ 2,341.80 85.00 212.50 17.00 29.75 38.25 42.50 51.00 59.50 68.00 76.50 106.25 127.50 148.75 255.00 297.50 340.00 21.25 25.50 34.00 170.00 191.25 Proposed <u></u> 551,013 \$ 2,148.95 175.50 195.00 312.00 15.60 19.50 35.10 39.00 46.80 54.60 62.40 70.20 78.00 97.50 117.00 136.50 156.00 234.00 273.00 23.40 27.30 31.20 Present Average Usage 2,000 3,000 4,000 5,000 16,000 30,000 35,000 40,000 45,000 50,000 000'09 70,000 6,000 7,000 8,000 9,000 000,01 12,000 18,000 20,000 80,000 14,000 25,000 90,000 Usage

8.97%

\$ 111.11

\$ 1,349.15

\$ 1,238.05

Median Usage 317,448

4.25

3.90

Red Rock Utilities, LLC - Water Division
Bill Comparison of Present and Proposed Rates
Customer Classification
Test Year Ended December 31, 2013

Page 7 Witness: Bourassa

Exhibit Schedule H-4

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n: um 0 Gallons 20,000 20,000 20,000 20,000	
Present Rates: Monthly Minimum: Gallons in Minimum Charge Per 1,000 Gallons Up to Over Proposed Rates: Monthly Minimum: Gallons in Minimum: Charge Per 1,000 Gallons Up to 20,	
Percent Increase #DIV/0! 7.94% 7.94% 8.33% 8.51% 8.86% 8.92% 8.92% 8.92% 8.94% 8.94% 8.95% 8.95% 8.95% 8.95% 8.95% 8.95% 8.95% 8.95% 8.97% 8.97% 8.97% 8.97%	8.97% 8.97% 8.97% 8.97% 8.85% 8.83%
Dollar 2.50 5.00 8.50 12.00 15.00 15.50 138.00 155.50 173.00 348.00 523.00 698.00 698.00 698.00 1,048.00 1,223.00	1,573.00 1,748.00 3,498.00 5,248.00 6,998.00 46.52
	өөөөө өө
Proposed Bill 34.00 68.00 110.50 153.00 1,470.50 1,895.50 2,108.00 6,358.00 6,358.00 6,358.00 6,358.00 6,358.00 6,358.00 6,358.00 12,733.00 14,858.00 16,983	19,108.00 21,233.00 42,483.00 63,733.00 84,983.00 572.13
и	↔ ↔
Present Bill	17,535.00 19,485.00 38,985.00 58,485.00 77,985.00 77,985.00
— ↔	↔ ↔
Usage 10,000 20,000 30,000 40,000 150,000 250,000 350,000 450,000 1,500,000 1,500,000 2,500,000 2,500,000 3,500,000 3,500,000 4,000,000	4,500,000 5,000,000 10,000,000 15,000,000 20,000,000 Average Usage 138,618 Median Usage 122,051

3.40

3.15

Red Rock Utilities, LLC - Water Division Test Year Ended December 31, 2013 Customer Classification Residential 5/8x3/4 Inch Meter

Exhibit Schedule H-5 Page 1 Witness: Bourassa

Cumul-	ative	Gals (1.000s)	٠	261	1,193	3,491	7,086	11,335	15,454	19,205	22,145	24,500	26,049	28,205	29,947	31,012	32,015	32,661	33,898	34,613	35,068	35,143	35,271	35,366	35,421	35,551	35,551	35,551	35,551	35,551			
Cumul-	ative	Billing	107	629	1,250	2,169	3,196	4,140	4,889	5,466	5,858	6.135									6,887	6,889	6,892	6,894	6,895	6,897	6,897	6,897	6,897	6,897			
	Total	Year	107	522	621	918	1,027	944	749	577	392	277	163	196	134	7.	29	34	22	26	14	2	ო	8	-	73		٠	•	•	6.897	5,155 4,500	575 8
Month	5		රා	38	4	8	92	88	67	49	35	25	10	თ	7	က	-	-	7	က	,	,			•	,	•	,	•		572		stomers
Month	ō	Š	16	4 4	46	8	108	94	65	48	43	59	13	22	7	e	ഹ	₹~	ო	-			,			•	,		•		632	ege Je	Average # Customers Change in Number of Customers
Month	ਰੱ	히	80	45	55	76	112	89	65	49	28	19	7	4	12	ო	ស	-	ω	e		,	-	,	,			•	•		584	Average Usage Median Usage	Average # Customers Change in Number of
Month	₽	Sep	ω	35	48	65	80	94	53	46	33	32	24	13	22	2	9	4	2	7	က	,			•	•			1		580	11	40
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Red Rock Utilities, LLC - Water Division Test Year Ended December 31, 2013 Customer Classification Commercial 5/8x3/4 Inch Meter

Exhibit Schedule H-5 Page 2 Witness: Bourassa

Cumul- ative Gals (1,000s)	Ø	ဖ	9	33	37	43	43	43	43	43	43	99	26	26	56	99	56	99	99	99	99	56	92	99	99	99	29	99					
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Red Rock Utilities, LLC - Water Division	Test Year Ended December 31, 2013	Irrigation 1 Inch
Red Rock Utilities,	Test Year Ended	Customer Classification

Cumul- ative	<u>Sals (1,000s)</u>	-	7	27	48	99	99	99	99	83	83	94	107	122	139	139	206	206	206	206	208	208	206	206	281	104	546 9##	666	1,041	colli	1,276	1,276					
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Red Rock Utilities, LLC - Water Division Test Year Ended December 31, 2013 Customer Classification Irrigation 2 Inch

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> Average Usage Median Usage Average # Customers Change in Number of Customers

Totals

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Average Usage
Median Usage
Average # Customers
Change in Number of Customers

Totals

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
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Exhibit Schedule H-5 Page 7 Witness: Bourassa

	Cumul-	ative	Gals (1,000s)	· ·	- #	<u> </u>	88	38	38	53.		53	53	53	53	53	53	75	75	140	140	140	280	615	615	615	615	981	1,088	1,001	2,002	2,254	2,831	2,976	940,0 407,0	3,834	3,964	4,290	4,409	, o, t	5,130	5,680	5,853	6,462	6,635	6,771	467,7	7,564	
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Page 7 Witness: Bourassa	Month	ਰ	B		•	•		•	. ,	•	, ,		,	,	•	,	•	•		•	ı		ı	٠	٠.	•	٠					•	,		•		•	•	1	•		1	•	•		1	,		
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Exhibit Schedule H-5 Page 7 Witness: Bourassa	Month Month of of of of of of Oct Nov Dec 11 11 11 11 11 11 11 11 11 11 11 11 11
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Red Rock Utilities, LLC - Water Division Test Year Ended December 31, 2013 stomer Classification Bullk W.	Month of Eeb
Red Rock Utilities, L Test Year Ended C Customer Classification	Month of all all all all all all all all all al
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Red Rock Utilities, LLC
Docket No: WS-04245A-14-____

August 4, 2014

WASTEWATER DIVISION SCHEDULES

Red Rock Ultities, LLC - Wastewater Division

Test Year Ended December 31, 2013 Computation of Increase in Gross Revenue Requirements As Adjusted Exhibit Schedule A-1 Page 1 Witness: Bourassa

Line			
<u>No.</u>			
1	Fair Value Rate Base	\$	936,312
2 3			
	Adjusted Operating Income		(262,075)
4			
5	Current Rate of Return		-27.99%
6		_	
7	Required Operating Income	\$	88,950
8	Dec Seed Date of Date		0.500/
9	Required Rate of Return		9.50%
10 11	Operating Income Deficiency	· ·	254.034
	Operating Income Deficiency	\$	351,024
12 13	Gross Revenue Conversion Factor		1.0169
14	Gloss Revenue Conversion Factor		1.0109
15	Increase in Gross Revenue		
16	Requirement	\$	356,955
17	roqui orione	Ψ	000,000
18	Adjusted Test Year Revenues	\$	477,549
19	Increase in Gross Revenue Revenue Requirement	\$	356,955
20	Proposed Revenue Requirement	\$	834,504
21	% Increase	•	74.75%
22			

45
24
25

Customer Classification (Residential C	ommercial, Irrigation)	;	Present <u>Rates</u>	P	roposed <u>Rates</u>	Dollar <u>Increase</u>	Percent <u>Increase</u>
5/8x3/4 Inch	Residential	\$	267,336	\$	472,383	\$ 205,047	76.70%
5/8x3/4 Inch	Commercial		948		1,675	727	76.70%
2 Inch	Commercial		7,584		13,401	5,817	76.70%
Effluent			12,224		12,224	-	0.00% 0.00%
Revenues Fron	n Projected Customer Growth		189,600		335,023	145,423	76.70%
Subtotal		\$	477,692	\$	834,706	\$ 357,014	74.74%
Miscellaneous	Revenues		_		-	-	0.00%
Reconciling An	nount		(143)		(202)	(59)	41.26%
Rounding			· · · · · · · · · · · · · · · · · · ·				0.00%
Total of Water	Revenues	<u>\$</u>	477,549	\$	834,504	\$ 356,955	74.75%

SUPPORTING SCHEDULES:

46 B-1

47 C-1

48 C-3

49 H-1

Red Rock Ultiities, LLC - Wastewater Division

Test Year Ended December 31, 2013 Summary of Results of Operations

49 F-1 50 Exhibit Schedule A-2

Page 1 Witness: Bourassa

											Projec	tec	l Year
							<u>Test</u>	Υeε	<u>аг</u>		Present		Proposed
Line			<u>Prior Ye</u>	ars	s End <u>ed</u>		Actual		Adjusted		Rates		Rates
<u>No.</u>	<u>Description</u>	1	2/31/2011		12/31/2012	1	2/31/2013	1	2/31/2013	12	2/31/2014		12/31/2014
1 2	Gross Revenues	\$	275,632	\$	275,587	\$	287,949	\$	477,549	\$	477,549	\$	834,504
3 4 5	Revenue Deductions and Operating Expenses		1,142,333		1,137,937		1,084,562		739,624		739,624		745,554
6 7	Operating Income	\$	(866,701)	\$	(862,350)	\$	(796,613)	\$	(262,075)	\$	(262,075)	\$	88,950
8 9	Other Income and Deductions		2,266		1,976		4,859		4,859		4,859		4,859
10													
11	Interest Expense		-		_		-		4		-		-
12	•											-	
13	Net Income	\$	(864,435)	\$	(860,374)	\$	(791,754)	\$	(257,216)	\$	(257,216)	\$	93,809
14		_					-						
15	Earned Per Average												
16	Common Share		NA		NA		NA		NA		NA		NA
17													
18	Dividends Per												
19	Common Share		NΑ		NA		NA		NA		NA		NA
20													
21 22	Payout Ratio		-		-		-		-		-		-
23	Return on Average												
24 25	Invested Capital		-8.13%		-8.30%		-7.85%		-2.87%		-2.90%		1.06%
26	Return on Year End												
27	Capital		-8.30%		-8.35%		-8.04%		-2.87%		-2.93%		1.07%
28	,												
29	Return on Average												
30 31	Member's Equity		-28.04%		-32.60%		-33.61%		-10.16%		-13.37%		4.47%
32	Return on Year End												
33 34	Common Equity		-33.00%		-32.36%		-38.58%		-10.71%		-14.33%		4.37%
35	Times Bond Interest Earned												
36 37	Before Income Taxes		-		-		-		-		-		-
38	Times Total Interest and												
39	Preferred Dividends Earned												
40	After Income Taxes		-		-		_		_		_		-
41													
42													
43													
44													
45													
46	SUPPORTING SCHEDULES												
47	C-1												
48	E-2												

Red Rock Ultiities, LLC - Wastewater Division

Test Year Ended December 31, 2013 Construction Expenditures and Gross Utility Plant in Service Exhibit Schedule A-4 Page 1 Witness: Bourassa

Line <u>No.</u>		Construction Expenditures	Net Plant Placed in <u>Service</u>	Gross Utility Plant <u>in Service</u>
1				
2 3				
4	Prior Year Ended 12/31/2011	841,417	841,417	12,215,061
5				
6	Prior Year Ended 12/31/2012	10,525	10,525	12,225,586
7 8	Test Year Ended 12/31/2013	36,969	36,969	12,262,555
9	Test Teal Elided 12/3/12013	30,300	55,550	12,202,000
10	Projected Year Ended 12/31/2014	10,000	10,000	12,272,555
11				
12				
13				
14				

SUPPORTING SCHEDULES:

34 <u>SUP</u> 35 B-2 36 E-5 37 F-3

Red Rock Ultities, LLC - Wastewater Division

Test Year Ended December 31, 2013
Summary of Rate Base

Exhibit Schedule B-1 Page 1 Witness: Bourassa

Line <u>No.</u> 1		iginal Cost Rate base	-	air Value Rate Base
2 3 4	Gross Utility Plant in Service Less: Accumulated Depreciation	\$ 8,489,666 1,355,878	\$	8,489,666 1,355,878
5 6	Net Utility Plant in Service	\$ 7,133,789	\$	7,133,789
7 8 9	Less: Advances in Aid of Construction	5,674,841		5,674,841
10 11	Contributions in Aid of Construction	549,043		549,043
12 13	Accumulated Amortization of CIAC	(26,408)		(26,408)
14 15 16 17	Customer Meter Deposits Deferred Income Taxes & Credits	-		-
19 20	Plus: Unamortized Finance			
21	Charges	_		.
22	Deferred Tax Assets	-		-
23 24 25	Allowance for Working Capital	•		-
26 27 28	Total Rate Base	\$ 936,312	\$	936,312

29 30 31

SUPPORTING SCHEDULES: B-2

41 <u>SUF</u> 42 B-2 43 B-3 44 B-5 45 E-1

47 48 49

50

Red Rock Ultiities, LLC - Wastewater Division Test Year Ended December 31, 2013 Original Cost Rate Base Proforma Adjustments

Exhibit Schedule B-2 Page 1 Witness: Bourassa

Line			Actual at End of Test Year	Proforma <u>Adjustment</u>		Adjusted at end of <u>Test Year</u>
1	Gross Utility	_		(0.770.000)	•	0.400.000
2	Plant in Service	\$	12,262,555	(3,772,889)	\$	8,489,666
3						
4	Less:					
5	Accumulated					
6	Depreciation		3,782,206	(2,426,328)		1,355,878
7						
8						
9	Net Utility Plant					
10	in Service	\$	8,480,349		\$	7,133,789
11						
12	Less:					
13	Advances in Aid of					
14	Construction		5,674,841	-		5,674,841
15			-,,			
16	Contributions in Aid of					
17	Construction - Gross		549,043	_		549,043
18	Conditaction - Cross		0-10,0 10			,-
19	Accumulated Amortization of CIAC		(123,535)	97,127		(26,408)
20	Accumulated Amortization of CIAC		(120,000)	V1,12.		(20) .00)
21	Customer Meter Deposits					_
	Accumulated Deferred Income Tax		-			_
22	Accumulated Deferred income Tax		-	-		_
23						_
24						-
25						
26	Plus:					
27	Unamortized Finance					
28	Charges		=			-
29	Prepayments		-			-
30	Materials and Supplies		-			-
31	Working capital		-	-		-
32						-
33			· 			202246
34	Total	<u>\$</u>	2,380,000		<u>\$</u>	936,312
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45	SUPPORTING SCHEDULES:				RECAP S	CHEDULES:
46	B-2, pages 2				B-1	
47	E-1					
40						

vision	m	ments
Red Rock Ultities, LLC - Wastewater Division	Test Year Ended December 31, 2013	Original Cost Rate Base Proforma Adjustments

Exhibit Schedule B-2 Page 2 Witness: Bourassa

Adjusted y at end	Н	\$ 8,489,666	1,355,878	\$ 7,133,789	5,674,841	549,043	(26,408)	1 1		\$ 936,312	EDULES
5 Intentionally	Left Blank			↔						-	RECAP SCHEDULES: B-1
ents 4	Verano <u>AIAC</u>									- \$ (,	
Proforma Adjustments	CIAC						97,127	,		\$ (97,127	
2 <u>Pro</u>	Accumulated Depreciation		(2,426,328)	\$ 2,426,328						\$ 2,426,328	
₽	Plant-in- Service	(3,772,889)		(3,772,889) \$						(3,772,889)	
Actual	End of Test Year	\$ 12,262,555	3,782,206	\$ 8,480,349 \$	5,674,841	549,043	(123,535)			\$ 2,380,000 \$	
		Gross Utility Plant in Service	Less: Accumulated Depreciation	Net Utility Plant in Service	Less: Advances in Aid of Construction	Contributions in Aid of Construction (CIAC)	Accumulated Amort of CIAC	Customer Meter Deposits Accumulated Deferred Income Taxes	25 Plus: 26 Unamortized Finance 27 Charges 28 Prepayments 29 Materials and Supplies 30 Allowance for Cash Working Capital	Total	SUPPORTING SCHEDULES: B-2, pages 3-5 E-1

Exhibit Schedule B-2 Page 3 Witness: Bourassa

Red Rock Ultilites, LLC - Wastewater Division Test Year Ended December 31, 2013 Original Cost Rate Base Proforma Adjustments Adjustment Number 1

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			Adjusted	Original	Cost	- 1	9 4	, ÷	1		070	D, D			ç	¥			700	6 6	270	1,40/			,	=												8 48	į	12,262,555		(3,77)	(3,77;			
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Vice		⊄ I	Excess	Capacity	Adjustment																	(3,772,889)																2 777 0	(3,772,889)							
Plant-in-Service																						_																								
픱			Actual	75		7,963	9,751	6,538	4,298	1		5,978,394	,		. ;	26,931	,			280,411	5,073	123		,	,	10,039	. :	8,224		•	790							40.000								
			Actus	Orgina	Cost	- '	u;		_			5,97				CN .				28	62	5,24				•																				
																																						ŧ	₩							
									돧			<u>~</u>	inres				llation			rvoirs	System	Freatment & Disposal Equipment			Other Sewer Plant & Equipment	ment	m	ŧ		e Equip								g.				ervice				
									Structures & Improvements	o.	Collection Sewer Forced	Collection Sewers Gravity	Special Collecting Structures	ces	Flow Measuring Devices	"	Reuse Meters And Installation	ω	Pumping Equipment	ion Rese	Reuse Trans, and Dist. System	sposal E		ines	ant & Ec	Office Furniture & Equipment	Computers and Software	Transportation Equipment	eut	Tools, Shop And Garage Equip	.≘	Equip ι	Plant					Plant Held for Future Use		s X c)	Plant-in-S	Service		ULES	
					noite	zation	Se		res & Im	Power Generation	ion Sewe	ion Sew	Colecti	Customer Services	leasuring	Reuse Services	Meters A	Receiving Wells	ng Equip	Distribut	Trans. a	ient & Di	Plant Sewers	Outfall Sewer Lines	Sewer PI	Furniture	ıters a⊓d	ortation	Stores Equipment	Shop An	Laboratory Equip	Communication Equip	Other Tangible Plant					Held for F	ALS	a ner Boc)))	ase) in F	Plant-in-9		SCHED 3.19	
					Description	Organization	Franchise	Land	Structu	Power	Collect	Collect	Specia								_							Transp	Stores	Tools,	_	_						Plant	TOTALS	Plant-in-Service per Books	}	Increase (decrease) in Plant-in-Service	Adjustment to Plant-in-Service		SUPPORTING SCHEDULES B-2, pages 3.1-3.19	,
				Acct	휟	351	352	353	354	355	360	361	362	363	364	386	367	370	371	374		380											398													
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Red Rock Ultitities, LLC - Wastewater Division Test Year Ended December 31, 2013 Original Cost Rate Base Proforma Adjustments Adjustment Number 1-A

Exhibit Schedule B-2 Page 3.1 Witness: Bourassa

Excess Capacity Adjustment

		Excess Capacity Aujt	<u> sunent</u>		
Line					
<u>No.</u>					
1					
2 3			Plant	Projected	Excess
3	Acct.		Balance	Excess Capacity	Capacity
4	<u>No.</u>	<u>Description</u>	End of TY	as Percent	Adjustment
5					
6	380	Treatment & Disposal Equipment	5,240,123	72%	\$ 3,772,889
7					
8					
9		TOTAL			\$ 3,772,889
10					
11					
12	Increase	e (decrease) in Plant-in-Service			\$ (3,772,889)
13					
14	Adjustm	nent to Plant-in-Service			\$ (3,772,889)
15					
16	<u>SUPPO</u>	RTING SCHEDULES			
17	Testimo	ony			
18					
19					
20					

Red Rock Ultilities, LLC - Wastewater Division Test Year Ended December 31, 2013 Original Cost Rate Base Proforma Adjustments Adjustment Number 1-8

Exhibit Schedule B-2 Page 3.2 Witness: Bourassa

Reconciliation of Plant-in-service Balance to Reconstructed Balance

Line Adjusted Balance Adjustments Adjustments Cost Balance Adjustments Cost							
Description	Line						
Acct. Exercition Orginal B-2 Original Per Or	<u>8</u>						
No. Description Cost Adjustments T1,983 T1	- ^						
Description Coginal B-2	ı ez				Adjusted	Balance	Adjustments
No. Description Cost Adjustments Cost Standard Cost	4 Acct.		Orginal	B-2	Originat	Per	t 2
11,983 1	S S	Description	Cost	Adjustments	Cost	Reconstruction	Reconcile
352 Franchise 69,751 59,751 59,751 353 Land New Generation 14,288 14,298 14,298 14,298 354 Shuchtres & Improvements 14,288 1,4298 14,298 14,298 356 Power Generation 5,978,394 5,978,394 5,978,394 5,978,394 361 Collection Sewer Granky 5,978,394 5,978,394 5,978,394 5,978,394 363 Collection Sewer Granky 5,978,394 5,978,394 5,978,394 5,978,394 363 Coulstoner Sewices 26,931 26,931 26,931 26,931 367 Reuse Meters And Installation 280,411 280,411 26,931 26,931 371 Pumping Equipment 280,411 280,411 280,411 280,411 371 Reuse Distribution Reservoirs 282,017 6,25,073 6,25,073 380 Other Sewer Plant & Equipment 1,039 1,467,234 1,467,234 381 Instructures and Software 8,224 8,224 8,2	35.	Organization	11 983	,	11.983	11.983	
352 Transmisse 6,558 6,558 6,558 14,298 354 14,298 14,298 14,298 355 Land Collection Sewer Forced 6,578 6,578 6,53	100	Contraction	A0 751		59 751	59 751	
354 Structures & Improvements 14,288 14,298 15,500 12,000	700		00,00	•	00.4	90°50	
356 Structures & Improvements 14,288 - 14,298 14,298 14,299 360 Collection Sewer Gravity 5,978,394 5,97	200	Land	0,000	•	000,0	0000	
356 Power Centration 2 367 Collection Sewer Forced 6,978,394 6,978,394 6,978,394 367 Collection Sewer Forced 6,678,394 6,978,394 6,978,394 6,978,394 367 Special Collecting Structures 363 10,000 10,000 10,000 10,000 10,000 368 Fisus Services 26,831 26,831 26,931 26,240 26,041 26,041 26,041	9 354	Structures & Improvements	14,298		14,298	14,298	
361 Collection Sewer Forced 362 Collection Sewer Gravity 362 Special Collecting Structures 363 Customer Services 364 Flow Measuring Devices 365 Feuve Meters And Installation 370 Reuse Meters And Installation 371 Pumping Equipment 372 Reuse Trains and Dist. System 383 Teatment & Distribution Reservoirs 374 Reuse Trains and Dist. System 385 Office Furniture & Equipment 386 Office Furniture & Equipment 387 Computers and Software 389 Transportation Equipment 380 Office Furniture & Equipment 381 Transportation Equipment 382 Stores Equipment 383 Stores Equipment 384 Laboratory Equip 385 Communication Equip 386 Communication Equip 386 Communication Equip 387 Communication Equipment 388 Conter Tangible Plant 388 Conter Tangible Plant 388 Conter Tangible Plant 389 Conter Tangible Plant 380 Contex Sever Plant 380 Contex Sever Plant 380 Contex Sever Plant 381 Flow Sever Sever Plant 382 Stores Equipment 383 Stores Equipment 384 Sever Sever Plant 385 Stores Equipment 386 Communication Equip 387 Sever Sever Plant 388 Contex Sever Plant 388 Contex Sever Plant 389 Contex Sever Plant 380 Contex Sever Plant 381 Sever Sever Plant 382 Sever Sever Plant 383 Contex Sever Plant 384 Sever Sever Plant 385 Contex Sever Plant 386 Contex Sever Plant 387 Sever Sever Plant 388 Contex Sever Plant 389 Contex Sever Plant 380 Contex Sever Plant	10 355	Power Generation	•				
361 Collection Sewers Gravity 5,978,394 5,988,31 26,931 27,932 27,243 27,244 37,244	11 360	Collection Sewer Forced			•	•	
362 Special Collecting Structures 26,931 26,931 26,931 363 Reuse Services 26,931 26,931 26,931 367 Reuse Services 26,931 26,931 26,931 367 Reuse Meters And Installation 280,411 280,411 280,411 370 Receiving Wells 280,411 280,411 280,411 371 Pumping Equipment 625,073 625,073 625,073 370 Treatment & Dist System 625,073 625,073 625,073 380 Treatment & Distal Sever Plant & Equipment 5,240,123 (3,772,889) 1,467,234 1,467,234 381 Plant Severe Plant & Equipment 10,039 10,039 10,039 10,039 382 Outral Severe Plant & Equipment 8,224 8,224 8,224 8,224 383 Tools, Shop And Garage Equip 780 790 790 384 Correst Equipment 780 790 790 385 Correst Equipment 8,224 790 790 386 Communication Equip 790 790 790 388 Other Tangible Plant 8,488,686 8,488,686 8,488,686	12 361	Collection Sewers Gravity	5,978,394	•	5,978,394	5,978,394	
363 Customer Services 364 Fow Measuring Devices 365 Reuse Services 366 Reuse Services 367 Reuse Services 368 Reuse Services 370 Receiving Wells 371 Pumping Equipment 374 Reuse Distribution Reservoirs 375 Reuse Trans. and Dist. System 376 Reuse Distribution Reservoirs 377 Pumping Equipment 378 Reuse Trans. and Dist. System 379 Teather & Bisposal Equipment 370 Merse Distribution Reservoirs 370 Outfall Sewer Lines 371 Pumping Equipment 372 Reuse Trans. and Dist. System 373 Dist. Swer Plant & Equipment 374 Reuse Distribution Reservoirs 375 Reuse Trans. and Dist. System 376 Reuse Trans. and Dist. System 377 Plant Sewer Plant & Equipment 378 Office Furniture & Equipment 379 Office Furniture & Equipment 370 Computers and Sorkware 370 Computers and Sorkware 370 Transportation Equipment 370 Transportation Equipment 371 Transportation Equipment 372 Communication Equipment 373 Transportation Equipment 374 Laboratory Equip 375 Communication Equipment 376 Communication Equipment 377 Reuse Transportation Equipment 378 Communication Equipment 379 Reuse Distribution Reuservoir Requipment 370 Transportation Equipment 370 Transportation Equipment 370 Transportation Equipment 370 Transportation Equipment 371 Transportation Equipment 372 Reuse Transportation Equipment 374 Reuse Distribution Equipment 375 Transportation Equipment 377 Transportation Equipment 378 Reuse Transportation Equipment 379 Transportation Equipment 370 Transportation Equipment 370 Transportation Equipment 371 Transportation Equipment 372 Reuse Transportation Equipment 373 Transportation Equipment 374 Reuse Transportation Equipment 375 Transportation Equipment 376 Transportation Equipment 377 Reuse Equipment 378 Reuse Transportation Equipment 379 Transportation Equipment 370 Transportation Equipment 370 Transportation Equipment 371 Transportation Equipment 372 Transportation Equipment 373 Transportation Equipment 374		Special Collecting Structures	. '		•	•	
364 Flow Measuring Devices 26,931 26,931 26,931 367 Reuse Services 26,931 26,931 26,931 370 Reuse Meters And Installation - - - 370 Reuse Meters And Installation - - - 371 Pumping Equipment 280,411 - 280,411 280,411 377 Reuse Trans. and Dist. System 625,073 625,073 625,073 380 Treatment & Disposal Equipment 5,240,123 (3,772,889) 1,467,234 1,467,234 381 Plant Sewer Plant & Equipment - - - - 382 Outfair Sewer Plant & Equipment 10,039 - 10,039 10,039 380 Office Furniture & Equipment 8,224 8,224 8,224 8,224 381 Transportation Equipment - - - - 382 Stores Equipment 8,224 8,224 8,224 8,224 383 Communication Equipment - </td <td></td> <td>Customer Services</td> <td>•</td> <td></td> <td>,</td> <td>•</td> <td></td>		Customer Services	•		,	•	
366 Recursor Meters And Installation 26,931 26,507 36,241 28,041 </td <td></td> <td>Flow Measuring Devices</td> <td>•</td> <td></td> <td>•</td> <td></td> <td></td>		Flow Measuring Devices	•		•		
Reuse Meters And Installation 280,411 28		Poiso Services	26.931		26.931	26.931	
Second S		Treated Octylodes	2000			· · · · · · · · · · · · · · · · · · ·	
370 Receiving Wells 371 Pumping Equipment 372 Reuse Distribution Reservoirs 373 Reuse Distribution Reservoirs 374 Reuse Distribution Reservoirs 375 Reuse Trans. and Dist. System 375 Reuse Trans. and Dist. System 376 Gas. 673 380 Transment & Disposal Equipment 381 Plant Sewer Plant & Equipment 382 Outfall Sewer Plant & Equipment 383 Outfall Sewer Plant & Equipment 384 Outfall Sewer Plant & Equipment 385 Outfall Sewer Plant & Equipment 386 Communication Equipment 387 Stores Equipment 388 Communication Equipment 389 Communication Equipment 380 Communication E		Keuse Melers And Installation	•	•	Į.	1	
371 Pumping Equipment 280,411 280,412,620 280,411 280,411 280,4		Receiving Wells		•	Í	•	
374 Reuse Distribution Reservoirs 280,411 <		Pumping Equipment	•	•	•	•	
375 Reuse Trans. and Dist. System 625,073 625,073 625,073 380 Treatment & Disposal Equipment 5,240,123 (3,772,889) 1,467,234 1,467,234 382 Outlant Sewer Lines - - - - 389 Office Furniture & Equipment 10,039 - 10,039 10,039 390. 1 Computers and Software 8,224 - 8,224 - - 391 Transportation Equipment 8,224 - - - - 392 Stores Equipment - - - - - 393 Tools, Shop And Garage Equip 790 - - - 394 Laboratory Equip - - - - 395 Communication Equip - - - - 398 Other Tangible Plant - - - - 398 Other Tangible Plant - - - - 398 Other Tangible Plant - - - - 399 Stores		Reuse Distribution Reservoirs	280,411	•	280,411	280,411	
380 Treatment & Disposal Equipment 5,240,123 (3,772,889) 1,467,234 1,467,234 382 Plant Sewers 382 Outfall Sewer Lines 390 Office Sewer Plant & Equipment 10,039 10,		Reuse Trans, and Dist. System	625,073		625,073	625,073	
381 Plant Sewers 382 Outfall Sewer Lines 390 Office Furniture & Equipment 390 Office Furniture & Equipment 391 Computers and Software 392 Stores Equipment 393 Tools, Shop And Garage Equip 394 Laboratory Equip 396 Communication Equip 398 Other Tangible Plant TOTALS \$ \$ 12,262,555 \$ (3,772,889) \$ 8,489,666 \$ 8,489,666		Treatment & Disposal Equipment	5,240,123	(3,772,889)	1,467,234	1,467,234	
382 Outfall Sewer Lines 389 Other Sewer Plant & Equipment 390 Office Furniture & Equipment 391 Transportation Equipment 392 Transportation Equipment 393 Tools, Shop And Garage Equip 394 Laboratory Equip 396 Communication Equip 398 Other Tangible Plant TOTALS \$824		Plant Sewers	•	•	Ú	1	
389 Other Sewer Plant & Equipment 10,039 - 10,039 10,039 10,039 390. I Computers and Software 390. I Computers and Software 391 Transportation Equipment 8,224 8,224 8,224 8,224 392 Stores Equipment 790 790 - 790 790 790 790 790 790 790 790 790 790		Outfall Sewer Lines	•	•	4	•	
390 Office Furniture & Equipment 10,039 - 10,039 10,039 390.1 Computers and Software 391 Transportation Equipment 8,224 - 8,224 8,224 8,224 392 Stores Equipment		Other Sewer Plant & Equipment		ı		•	
390.1 Computers and Software 391 Transportation Equipment 392 Stores Equipment 393 Tools, Shop And Garage Equip 394 Laboratory Equip 396 Communication Equip 398 Other Tangible Plant TOTALS \$ 12,262,555 \$ (3,772,889) \$ 8,489,666 \$ 8,489,666		Office Furniture & Fouriement	10.039	•	10,039	10,039	
392 Stores Equipment 8,224 - 8,224 8,224 8,224 392 Stores Equipment 790 - 790 790 790 394 Laboratory Equip 790 - 790 790 790 398 Communication Equip - 790 - 790 - 790 790 790 790 790 790 790 790 790 790	,	_	•	•	. '		
392 Stores Equipment 393 Tools, Shop And Garage Equip 790 - 790 790 394 Laboratory Equip 396 Communication Equip - 790 - 790 398 Other Tangible Plant - 700 - 700 - 700 790 790 790 790 790 790 790 790 790		, ,	8 724	•	8 224	8.224	
392 Stories Equipment 393 Tools, Shop And Garage Equip 394 Laboratory Equip 396 Communication Equip 398 Other Tangible Plant TOTALS \$ 12,262,555 \$ (3,772,889) \$ 8,489,666 \$ 8,489,666		Others Projected Equipment	199		j	1 '	
393 Tools, Shop And Garage Equip		Stores Equipment	•	•	•	•	
394 Laboratory Equip 790 - 790 790 396 Communication Equip		Tools, Shop And Garage Equip	•	•		• 1	
396 Communication Equip		_	280	•	790	06/	
398 Other Tangible Plant		_	•		,	•	
TOTALS \$ 12,262,555 \$ (3,772,889) \$ 8,489,666 \$ 8,489,666		•	•				
TOTALS \$ 12,262,555 \$ (3,772,889) \$ 8,489,666 \$ 8,489,666	34 35						
TOTALS \$ 12,262,555 \$ (3,772,889) \$ 8,489,666 \$ 8,489,666	36						
TOTALS \$ 12,262,555 \$ (3,772,889) \$ 8,489,666 \$ 8,489,666	37						
TOTALS \$ 12,262,555 \$ (3,772,889) \$ 8,489,666 \$ 8,489,666	, ç						
	90	TOTALS				8,489,666	€9
4.3	5 4						
43	- 24						
2	43						

44 Increase (decrease) in Plant-in-Service
45
46 Adjustment to Plant-in-Service
47
48 SUPPORTING SCHEDULES
49 B-2, pages 3
50 B-2, pages 3.3-3.10

SUPPORTING SCHEDULES
B-2, pages 3
B-2, pages 3.3-3.10

MANICE M											DOD?	- 1				
Account	ľ	ARUC		Allowed		Accum	Plant		Adjusted	Plant		Adjusted				
December	Line	ALI IOCO		Oeprec	Plant at	Deprec. At	Additions	Plant	Plant	Retirements	Retirement	Plant	Salvage	Depreciation	Plant	Accum.
1,1,200 1,1,	S	9	Description	Rate	12/31/2005	12/31/2005	(Per Books)	Adiustments	Additions	(Per Books)	Adjustments	Retirements	A/D Only	(Calculated)	Balance	<u>Deprec</u>
SES (Inflamement) CORD 17.25 in 17.55 in 17.5	,		; ;	7000	,		96.231	(84 842)	11 389						11,389	
55.1 Limitation COOM 316. 317. 6.584 41 6.584 55.5 Limitation COOM 35.10 COOM 35.10 COOM 41 2.465 56.5 Shoutdured & Impovements COOM 50.00 56.107 66.1	- 6		againzauori	2000			122 511	(75.260)	47.251			,		Ů.	47,251	٠
25.5 Structures & Improvements 2.554 4.22779 4.	4 c			2000			2.63	3.375	6.538			•		٠	6,538	į
Second Continues and Products Second Continues and Product	ŋ ,		DING.	3336			4 227 784	(4 225.318)	2.466			,		41	2,466	1.2
Second content	† u			5,00%		,	39 100	(39.100)	i ,			,		Ì	,	•
200	o (9 50 0			2	(221/22)	,					•	,	i
SE Collection Sewards Granully 2000s Ge 167 GBS 167 CBC 267 CBC	ĸo.	_	Olection Sawer Forced	8.00.4				60 053	0 00					98.5	58.852	589
State Special Collecting Should be seed to collecting Should should be seed to collecting Should should be seed to collecting Should should be seed to collecting Should	~		offection Sewers Gravity	2.00%	•	•	_	709'90	30,000					3	100,00	}
943 Control Expensions 200% 95 9	ω		pecial Collecting Structures	2.00%	•		66,157	(66,167)				•		•	,	
984 Flow Measuing Devices 100 MW 987 Flow Measuing Devices 100 MW 397 Flow Measuing Devices 2,00% 398 Flow Measuing Viells 3,53% 309 Flow Measuing Viells 3,53% 319 Flow Measuing Viells 2,50% 32 Flow Measuing Viells 2,50% 34 Flow Measuing Viells 2,50% 35 Charles Train and Delt Severing 2,50% 36 Child Severing 3,50% 38 Duffel Severing 5,50% 39 Office Full Severing 3,50% 39 Office Full Severing 5,50% 39 Office Full Severing 2,50% 39 Office Full Severing 2,00% 39 Office Full Severing 3,00% 39 Office Full Sever	ത		ustomer Services	2.00%		,						,				i
356 Reuse Services 200% 357 Reuse Meter And Institation 3.33% 37 Purpose Equipment 2.50% 37 Reuse Distribution Reservices 2.50% 37 Reuse Distribution Reservices 2.50% 38 Order Service Distribution Reservices 2.50% 38 Order Service Distribution Reservices 3.33% 38 Outlet Sewer Lives 5.00% 39 Office Furniture & Equipment 6.67% 39 Office Furniture & Equipment 2.50% 39 Office Furniture & Equipment 2.50% 39 Office Furniture & Equipment 2.00% 39 Stores Equipment 2.00% 39 Stores Equipment 4.00% 39 Stores Equipment 4.00% 39 Stores Equipment 1.000% 30 Conflict Targuiste Plant 4.686.413 30 Conflict Targuiste Plant 4.686.413 30 Conflict Targuiste Plant 4.686.413	10		low Measuring Devices	10.00%	•	•								,		
397 Reuse Meters And Installation 8.33% 1.30%	Ŧ		Puse Services	2.00%	٠	,								•		
370 Receiving Wells 3.33% 173.525 4,541,009 173.529 4,541,009 173.529 4,541,009	. 5		euse Meters And Installation	8.33%		,										1
2.50% 2.50	<u> </u>		ereision Wells	3.33%		•								,		
3.14 Reuse Disfluction Reservoirs 2.50% 3.15 Reuse Disfluction Reservoirs 2.50% 3.17 Reuse Disfluction Reservoirs 2.50% 3.17 Reuse Disfluction Reservoirs 2.50% 3.00 Treatment & Displorate Lines 5.00% 3.81 Plant Sewer Same Parties 3.33% 3.00 Treatment & Displorate Lines 6.00% 3.00 Order Fewer Parties & Equipment 6.67% 3.00 Order Fewer Parties 2.000% 3.00 Order Fewer Parties 3.00 3.00 Order Fewer Parties 2.000% 3.00 Order Sewer Parties 3.00 3.00 Order Sewer Parties 3.00 3.00 Order Sewer Parties 4.00% 3.00 Order Sewer Parties 5.00% 3.00 Order Targible Plant 1.00% 4.622.371 45,442 4,6	2 7		Section Designation	10 50%	•	•	_							٠		•
113,525 4,541,009 113,525 114,009 113,525 114,009 113,525 11	<u>.</u>		out of the state o	805.40	•									,		
375 Reuse Flates A 541,009 4,541,009 4,541,009 4,541,009 113,525 4,541,009 113,625 4,541,009 4,541,009 4,541,009 4,541,009 4,541,009 4,541,009 4,541,009 4,541,009 4,541,009 4,541,009 4,541,009 4,541,009 4,541,009 4,541,009 4,541,009	ŭ		euse distribution reservoirs	2.00.7	•		_							•		•
380 Treatment & Disposal Equipment 5 000%	92	_	teuse Trans, and Dist. System	2.50%				4 6 44 000						113 525	4 541 009	113 525
381 Plant Swers 500% 500% 90625 (80,629) 908 908 389 Other Sewer Plant & Equipment 687% 14,462 14,462 908 908 908 390 Office Furnition & Equipment 20,00% 2,923 (2,020) 908 908 908 391 Transportation Equipment 20,00% 800%	17		reatment & Disposal Equipment	2.00%					850, HC,4			•		200)	
382 Outfall Sawer Lines 3.33% 14.462 (14.452) 30 908 389 Office Sewer Inlines 667% 14.462 (2.020) 908 30 908 390 I Computers and Software 20.00% 2.923 (2.020) 908 908 908 391 Transportation Equipment 20.00% 38 1.00% 38 1.00% 38 38 1.00% 38 38 1.00% 38	13		lant Sewers	5.00%	1	,	50,625					•		•		
389 Other Sever Plant & Equipment 667% - 14,462 (14,462) - 30 908 390 Office Furnitues & Equipment 667% - 2,923 (2,020) - 30 908 391 Transportation Equipment 20,00% - 600% - 600% - 600% 392 Stores Equipment 4,00% - 6,00% - 6,00% 393 Tools, Shop And Garage Equip 10,00% - 6,00% 399 Other Tangible Plant 10,00% - 6,00%	19		Juffall Sewer Lines	3.33%	•							•		,		
390 Office Furniture & Equipment 667% 390.1 Computers and Software 20,00% 391 Computers and Software 20,00% 392 Stores Equipment 4,00% 393 Tools, Shop And Garage Equip 5,00% 394 Laboratory Equip 10,00% 396 Communication Equip 10,00% 398 Other Tangible Plant 10,00% 399 Other Tangible Plant 10,00% 399 Other Tangible Plant 10,00%	20		Other Sewer Plant & Equipment	6.67%	•	•	14,462	(14,462)				•			. ;	. :
390.1 Computers and Software 20.00% 381 Transportation Equipment 20.00% 382 Stores Equipment 20.00% 384 Laboratory Equip 10.00% 386 Communication Equip 10.00% 398 Other Tangible Plant 10.00% 10 mit Held for Future Use 4.622.971 45,442 4,668,413	21		Office Furniture & Equipment	8.67%	•	•	2,928	(2,020)	908					S	ROS	3
381 Transportation Equipment 20.00% 382 Stores Equipment 4.00% 383 Tools, Shop And Garage Equip 5.00% 384 Laboratory Equip 10.00% 386 Communication Equip 10.00% 398 Other Tangbile Plant 10.00% 399 Other Tangbile Plant 10.00% 399 Other Tangbile Plant 10.00% 399 Other Langbile Plant 10.00%	22	_	omputers and Software	20.00%	1	,								į		
382 Stores Equipment 4.00% 383 Tools, Shop And Garage Equip 5.00% 384 Laboratory Equip 10.00% 386 Communication Equip 10.00% 398 Other Tangble Plant 10.00% 399 Other Tangble Plant 10.00% 399 Other Tangble Plant 10.00% 390 Other Tangble Plant 10.00%	23		ransportation Equipment	20.00%	,							,		•		•
393 Tools, Shop And Garage Equip 5.00% 394 Laboratory Equip 10.00% 396 Communication Equip 10.00% 398 Other Tangible Plant 10.00% Plant Held for Future Use TOTALS 10.00% 10.0	24		Rores Equipment	4.00%	•				,					•		,
394 Laboratory Equip 10.00% 396 Communication Equip 10.00% 399 Other Tangible Plant 10.00% 399 TOTALS 390 Other Tangible Plant 10.00% 399 TOTALS 390 Other Tangible Plant 10.00% 399 TOTALS 399 Other Tangible Plant 10.00%	25		ools, Shop And Garage Equip	2.00%		•								•		
396 Communication Equip 10.00% 398 Other Tangible Plant 10.00% Plant Held for Future Use 114,185 4,668,413	26	_	abonatory Equip	10.00%		,			•							
398 Other Tangible Plant I 10.00% Plant Held for Future Use 1.14,185 4,668,413 1.107ALS 1.107ALS 1.107ALS 1.114,185 4,668,413	27		Communication Equip	10.00%		,								•		,
Plant Held for Future Use 14,622.971 45,442 4,668,413 - 114,185 4,668,413	28		Other Tangible Plant	10.00%		,			٠						,	1
Plant Held for Future Use . 4,622.971 45,442 4,668,413	20		•									•		,	•	•
Plant Held for Future Use 114,186 4,668,413 107ALS	3 8				•	•			•			•			•	•
Plant Held for Future Use TOTALS - 4,622.971 45,442 4,668,413 - 114,185 4,668,413	3 8				,							•		•	•	
Plant Held for Future Use TOTALS 4,668,413 - 114,185 4,668,413	; ;					•			,			,		i	•	•
Plant Held for Future Use TOTALS 4,668,413 - 114,185 4,668,413	3 5					,			٠			•		ı		•
TOTALS 4,622,971 45,442 4,668,413 114,185 4,668,413	3 8	Ē	1000 Told for Cottons (100						•			•		•	•	,
TOTALS 4.668.413 - 114,195 4.668,413 - 114,195 4.668,413	, u	_	252 253 255 255 255 255													
	g y	ŕ	OTALS			-	4,622,971	45,442	4,668,413		,	,		114,185	4,668,413	114,185

Unadjuted PIS Balance Non-Depr. or Fully Depr. Ptant Depreciable Plant Depreciation Expense Composite Depreciation Rate

4,668,413 (65,178) 4,603,235 114,185 2.48%

Red Rock Utilities - Sewer Division Plant Additions and Retirements

Exhibit Schedule B-2 Page 3.4 Witness: Bourassa

NARUC	ວດ	Allowed	Plant		Adjusted	Plant		Adjusted				
Line Account	ornit	Deprec.	Additions	Plant	Plant	Relirements	Retrement	Plant	Salvage	Depreciation	Plant	Accum.
No. No.	Description	Rate	(Per Books)	Adjustments	Additions	(Per Books)	Adjustments	Retirements	AD Only	[Calculated]	Balance	Deprec
351	1 Ornanization	%00.0	1.564		1,564			•		,	12,953	Ī
2 352		0.00%	2,550		2,550			•		,	49,801	•
353		0.00%			•			•		•	6,538	•
		3,33%			•			,		82	2,466	123
355	_	5.00%			•			i		1	į	
360		2.00%			•			•		•		
	_	2.00%	3,644,629		3,644,629			•		37,623	3,703,481	38,212
362		2.00%			•			•		,		
983		2.00%			•			•			•	
10 364		10.00%			•			•				
11 366		2.00%	12,770		12,770					128	12,770	128
12 367		8.33%			•							
13 370	70 Receiving Wells	3.33%						•				
14 371	71 Pumping Equipment	12.50%			•					•		•
15 374		2.50%			,			•		•	1	•
16 375	75 Reuse Trans and Dist. System	2.50%	257,360		257,360			•		3,217	257,360	3,217
17 380	30 Treatment & Disposal Equipment	2.00%	594,757		594,757			•		241,919	5,135,766	355,445
18 381	31 Plant Sewers	5.00%			•			•			•	r
19 382	32 Outfall Sewer Lines	3.33%						•		•	•	•
	389 Other Sewer Plant & Equipment	6.67%								. !	. !	. ;
	390 Office Furniture & Equipment	6.67%	9,131		9,131			ı		365	10,039	395
22 390.1	0.1 Computers and Software	20.00%						•				. ;
23 391	31 Transportation Equipment	20.00%	8,224		8,224			,		822	8,224	822
24 392	32 Stores Equipment	4.00%			,					•		•
	393 Tools, Shop And Garage Equip	2.00%			,					•	, ;	. '
	394 Laboratory Equip	10.00%	158		158					6 0	158	œ
	396 Communication Equip	10.00%						,			, !	, '
	398 Other Tangible Plant	10.00%	178		176					മ	1/8	D
59					•						۲	Ū.
8					•							1
31					•			•		•	Þ	,
32					•			•		i	•	•
ខ្ល					•					•	•	•
g :	Plant Held for Future Use				•			•		•	•	•
£ %	0 14 10 1		A 531 340	,	4 531 319	,			,	284,174	9.199.732	398,359

9,199,732 (69,292) 9,130,440 284,174 3,11%

Unadjuted PIS Balance Non-Depr. or Fully Depr. Plant Depreciable Plant Depreciation Expense Composite Depreciation Rate

Witness: Bourassa

Schedule B-2 Page 3.5 Exhibit

9,223,014 (79,242) 9,143,772 340,189 3,72%

Non-Depr. or Fully Depr. Plant

Unadjuted PIS Balance

Composite Depreciation Rate

Depreciation Expense

Depreciable Plant

Red Rock Utilities · Sewer Division Plant Additions and Retirements

Exhibit Schedule B-2 Page 3.6 Wilness: Bourassa

								20	2009				
	NARUC	U	Allowed	Plant		Adjusted	Plant		Adjusted				
Line	Account	Ť	Debrec	Additions	Plant	Plant	Retirements	Retirement	Plant	Salvage	Depreciation	Piant	Accum.
9	Š	Description	Rate	(Per Books)	Adjustments	Additions	(Per Books)	Adjustments	Retirements	A/D Only	(Calculated)	Balance	Deprec
-	351	Organization	0.00%									12,953	•
2	352		0.00%			,			,		•	59,751	•
ო	353	Land	0.00%			•					•	6,538	•
4	354	Structures & Improvements	3.33%			•			•		476	14,298	878
ß	355		5.00%			,			•		1	•	•
G	360	Collection Sewer Forced	2.00%						,		•	•	•
~	36	Collection Sewers Gravity	2.00%	1,648,935	624,478	2,273,413			•		96,834	5,978,394	209,130
æ	362	Special Collecting Structures	2.00%			1					•	•	•
œ	363	Customer Services	2.00%			,			•				,
9	364	Flow Measuring Devices	10.00%			٠							1
,	366	Reuse Services	2.00%	14,161		14,161			•		397	26,931	780
12	367	Reuse Meters And Installation	8.33%			,					,	,	•
ဗ	370	Receiving Wells	3.33%										•
4	371	Pumping Equipment	12.50%			•							•
15	374		2.50%	266,366		266,366					3,330	266,366	3,330
9	375		2.50%	160,548	199,190	359,738					10,931	617,098	20,582
17	380	•	5.00%	51,258		51,258					258,070	5,187,024	870,303
18	381	_	2.00%			,			•		•	•	,
9	382	Outfall Sewer Lines	3.33%			•			•		•	F	
8	389	Other Sewer Plant & Equipment	6.67%			,			•		ů.	ı	•
24	380		6.67%			•			•		870	10,039	1,735
22	390.1	1 Computers and Software	20.00%			•			•		i	,	,
23	391	Transportation Equipment	20.00%			•					1,645	8,224	4,112
24	392	Stores Equipment	4.00%								•	•	
25	383	Tools, Shop And Garage Equip	5.00%						,		•	,	
56	394	Laboratory Equip	+0.00%								16	158	40
27	396	Communication Equip	10.00%						•		•	ı	•
38	398	Other Tangible Plant	10.00%						,		18	176	44
29									,			,	,
8									٠		•	•	,
33						,			•		•	i	•
32						•			F		•	Ū	•
33						•			•		•	•	•
34		Plant Hetd for Future Use				•			•			1	
8 8		TOTALS		2,141,268	823,668	2,964,936					372,385	12,187,950	1,110,933

12,187,950 (79,242) 12,108,708 372,385 3.08%

Unadjuled PIS Balance Non-Depr. or Fully Depr. Plant Depreciable Plant Depreciation Expense Composite Depreciation Rate

Red Rock Utilities - Sewer Division Plant Additions and Relirements

Exhibit Schedule B-2 Page 3.7 Wilness: Bourassa

								2010	10				
	NARUC	or or	Allowed	Plant		Adjusted	Plant		Adjusted				
Line	Line Account	TL.	Deprec.	Additions	Plant	Plant	Retirements	Retirement	Plant	Salvage	Depreciation	Plant	Accum.
휜	성	Description	Rate	(Per Books)	Adjustments	Additions	(Per Books)	Adjustments	Relirements	A/D Only	(Calculated)	Balance	<u>Deprec.</u>
,	35.	Crosoization	%000						,			12,953	1
	352		0.00%			•			٠		,	59,751	•
ю	353		0.00%									6,538	,
4	354	Structures & Improvements	3.33%								476	14,298	1,355
ß	355	5 Power Generation	5.00%			1					•	i	,
Ø	360	Collection Sewer Forced	2.00%			٠			•		•	Œ.	•
7	361		2.00%			•			•		119,568	5,978,394	328,698
φ	362	Special Collecting Structures	2.00%			•			•		•	i	1
o	363		2.00%			•					,	•	•
9	364		10.00%								,		•
Ξ	366		2.00%			•					539	26,931	1,319
2	367	7 Reuse Meters And Installation	8.33%									1	
Ü	370) Receiving Wells	3.33%									*	•
4	37.1		12.50%						,		,	,	•
5	374		2.50%								6,659	256,366	686 ['] 6
φ			2.50%	4,810		4,810					15,488	621,908	36,069
17			5.00%	4,552		4,552					259,465	5,191,576	1,129,768
20	381	1 Plant Sewers	5.00%			,			,				•
19	382	2 Outfall Sewer Lines	3.33%			•			•		,	•	•
8	389	Other Sewer Plant & Equipment	6.67%			•			1		•	ı	•
2	390	Office Furniture & Equipment	6.67%			•			•		029	10,039	2,404
ន	390.1	.1 Computers and Software	20.00%			•			•		•		
ន	391	1 Transportation Equipment	20.00%			•			•		1,645	8,224	5,757
24	392	2 Stores Equipment	4.00%			•			,				
25	393	3 Tools, Shop And Garage Equip	5.00%			,							
8	394	4 Laboratory Equip	10.00%								92	158	SS
23	396	5 Communication Equip	10.00%								. '	, !	. 1
58	398	B Other Tangible Plant	10.00%								6	176	29
59												•	,
용						•			,			ı	١
9									•		•	r	
g						1			•		•	4	ı
8						•			•		•	,	•
怒		Plant Held for Future Use				•			,		,		•
경 %		TOTALS		9,362	,	9,362				-	404,542	12,197,312	1,515,475

12,197,312 (79,242) 12,118,070 404,542 3.34%

Unadjuled PIS Balance Non-Depr. or Fully Depr. Plant Depreciable Plant Depreciation Expense Composite Depreciation Rate

Red Rock Utilities - Sewer Division Plant Additions and Retirements

Exhibit Schedule B-2 Page 3.8 Witness: Bourassa

									2011					
2	NARUC		Allowed	Plant		Adjusted	Plant		Adjusted					
Line	Account		Deprec.	Additions	Plant	Plant	Retirements	Relirement	Plant	Salvage	Depreciation	A/D	Plant	Accum.
회	흸	Description	Rate	(Per Books)	Adjustments	Additions	(Per Books)	<u>Adjustments</u>	Retirements	A/D Only	(Calculated)	Adjustment	Balance	Deprec.
,			ò		1070/	(020)					•		11,983	
- 1		Organization	900		(2)	(2)			٠		•		59,751	٠
N		Franchise	8 00.0			1							A 538	•
က	353 Land	2	%00.0			•			,		, ;		11,000	1001
4	354 Str	Structures & Improvements	3.33%			•					476		067,41	3
ç	355 Po	Power Generation	5.00%			•			ì				•	•
9	360	Collection Sewer Forced	2.00%			•			1		•			
~		Collection Sewers Gravity	2.00%								119,568		5,978,394	448,266
00		Special Collecting Structures	2.00%						•					
, 0		Customer Services	2.00%			•					•			•
, ç		Flow Measuring Devices	10.00%			•					•			•
2 ;			%00.0						į		539		26,931	1,857
- 5		Notice Cervices	33.8 33.8			٠			•		•		•	•
7			200						ļ		•			•
13		Receiving Wells	3.33%			•			•					•
4	371 Pu	Pumping Equipment	12.50%			•			•			6		10.
5	374 Re	Reuse Distribution Reservoirs	2.50%	2,034	12,011	14,045			Ū		6,635	312	280,411	2 2
9	375 Re	Reuse Trans, and Dist. System	2.50%			,					15,548	. ;	821,908	710,10
17	380 Tre	Treatment & Disposal Equipment	5.00%		4,038	4,038			,		259,690	613	3,195,614	1,390,060
8	381 Pla	Plant Sewers	5,00%			,			٠					•
61	382 Ou	Outfall Sewer Lines	3,33%										,	•
20	9O 688	Other Sewer Plant & Equipment	6.67%								. ;		, 00	, 60.0
2	390 Off	Office Furniture & Equipment	6.67%								0/9		ASO'OL	4,0,6
52	390.1 Co	Computers and Software	20.00%										. 0	1
23	391 Tra	Transportation Equipment	20.00%			Ī			,		1,645		0,224	204,7
24	392 Str	Stores Equipment	4.00%			•			•		•		•	•
55	393 To	Tools, Shop And Garage Equip	5.00%			•			ı		,		. [
8	394 La	Laboratory Equip	10.00%	812		812			1		96		0/6	<u> </u>
27	396 Co	Communication Equip	10.00%			•			•		,	ţ		
28	398 Off	Other Tangible Plant	10.00%		(176)	(176)			•		מכ	(n c)		>
29													•	•
99									•					
34			,			•					•		•	•
엃						•					•		•	•
83						•					•		ů.	•
32	ä	Plant Held for Future Use				•			•		,			•
35	Ĥ	U 17		2 846	14 903	17 749		,	,	-	405,024	855	12,215,061	1,921,354
စ္	-	UIAES		2,4										

12,215,081 (78,272) 12,136,789 855 0.01%

Unadjuted PIS Balance Non-Depr. or Fully Depr. Plant Depreciable Plant Depreciation Expense Composite Depreciation Rate

Exhibit Schedule B-2 Page 3.9 Wilness: Bourassa

AN	NARUC	Allowed	Plant		Adjusted	Plant		Adjusted				
ton Account	turos	Dancer	Additions	Plant	Plant	Retirements	Retirement	Plant	Salvage	Depreciation	Plant	Accum.
ž Ž		Celorer.	2000000	1100		(0)000	A chit and an an an an	Definemente	A/O CVA	(Calculated)	Balance	Caprac
ᅨ	No. Description	Rate	(Per Books)	Adjustments	Additions	(Per Books)	Adjustments	Kegrerner		[Calculated]		200
٠,	351 Omeoization	0000			,					•	11,983	•
- (2000								٠	59,751	
		0.00									85.58	•
e e	353 Land	0.00%								. !	0000	2000
4	354 Structures & Improvements	3.33%						į		476	14,298	7,307
8	355 Power Generation	5.00%			•			•		•	•	•
	-	2,00%			ŀ			ı		•	•	,
		2 00%			•			ı		119,568	5,978,394	567,834
		200%			•						•	•
		2.00.6						•		,	٠	
		Z.00.%			•			Ī			,	
10	364 Flow Measuring Devices	10.00%			•					, (
11	366 Reuse Services	2.00%			•					539	20,831	QEC.2
12 3	367 Reuse Meters And Installation	8.33%						,			•	•
	370 Receiving Wells	3.33%			•			•		,	,	
		12.50%						•		,		•
		2.50%						٠		7,010	280,411	24,145
		2.50%			3,165			•		15,587	625,073	67,204
		9.00%	7,541		7,541			•		259,969	5,203,155	1,650,030
		5.00%			•			Ĭ.		•	,	•
		9.33%			•			,		•	•	•
		6.67%			•			•			•	•
		6.67%			•			1		670	10,039	3,743
-		20.00%						,		•		
		20.00%						•		822	8,224	8,224
24		4.00%			٠			•		,	•	
		5.00%			•					. :	. ;	' (
	394 Laboratory Equip	10.00%	720		720	006		900		82	290	(200)
	396 Communication Equip	10.00%						i		•	,	,
	398 Other Tangible Plant	10.00%										>
59								•			ţ	•
8					•			•		•	Ü	•
3 5					•			•		,	i	•
. 29					,			•		•	i	•
18					•			•				•
₹	Plant Held for Future Use				•			•		,	4	
35	0 - x + C +		44 428		11 478	006		006		404,729	12,225,587	2,325,183
Ş	CIALO		7.11									

12,225,587 (78,272) 12,147,315 404,729 3.33%

Unadjuted PIS Balance Non-Depr or Fully Depr. Plant Depreciable Plant Depreciation Expense Composite Depreciation Rate

Red Rock Utilities - Sewer Civision Plant Additions and Retirements

Exhibit Schedule B-2 Page 3.10 Witness: Bourassa

									. 4	2013					
	NARUC	0.	Allowed	Plant		Adjusted	Plant		Adjusted			Excess		Excess	
Ę		ŧ	Deprec.	Additions	Plant	Plant	Retirements	Retirement	Plant	Salvage		Capacity	Plant	Capcity	Accum.
ջ	횐	Description	Rate	(Per Books)	Adjustments	Additions	(Per Books)	Adjustments	Retirements	A/D Only	(Calculated)	PIS Adjustment	Balance	A/O Adjustment	Daprec
-	25.1	Organization	0 00%			•			•		•		11,983		
- 0	322		0.00%						i		•		59,751		ı
. 63	353		0.00%								,		6,538		•
	354		3.33%			•			•		476		14,298		2,783
တ	355		5.00%						•				,		
Ф	380	Collection Sewer Forced	2.00%						٠		•				•
۲-	361	Collection Sewers Gravity	2.00%			•			•		119,568		5,978,394		687,402
۵	362		2.00%			•			•						•
6	363	_	2.00%						,						,
5	364		10.00%			•			i						
=	366		2.00%			•			•		539		26,931		2,935
7	367	Reuse Meters And Installation	8.33%			,			•				•		į
5	370	Receiving Wells	3.33%			,			i				•		ŀ
4	371		12.50%			•			•						•
15	374		2.50%			•			i		7,010		280,411		31,155
16	375	Reuse Trans, and Dist. System	2.50%			•					15,627		625,073		82,831
1	380	Treatment & Disposal Equipment	5.00%	36,968		36,968			•		261,082	(3,772,889)	1,467,234	(1,376,000)	535,111
\$	381	Plant Sewers	5.00%			•									•
6	382		3.33%						ì						
20	388	Other Sewer Plant & Equipment	6.67%			•			i		1		. ;		. :
2	390	Office Furniture & Equipment	6.67%						i		670		10,039		4,413
22	390.1	1 Computers and Software	20.00%						Ť		. !		, ;		. 0
23	391	Fransportation Equipment	20.00%			•			•		1,645		8,224		200'S
24	385	Stores Equipment	4.00%						•		•		1		i
55	393	Tools, Shop And Garage Equip	5.00%						r		. 1		. ;		- 4
56	394	Laboratory Equip	10.00%						•		62		790		(621)
27		Communication Equip	10,00%										,		,
28	398	Other Tangible Ptent	10,00%										,		>
53						•			٠				•		
8						•			,				,		•
સ						,			•				•		,
83						•			•						,
8						•			ì		•		•		•
8		Plant Held for Future Use				,			·		•		•		,
98		3 10 # 0 1		880 88		35.968			-		406,695	(3,772,889)	8,489,666	(1,376,000)	1,355,878
3		TOTALS.		200											

12,262,555 (78,272) 12,184,283 406,695 3,34%

Unadjuted PIS Balance Non-Depr. or Fully Depr. Plant Depreciable Plant Depreciation Expense Composite Depreciation Rate

Red Rock Ultilities, LLC - Wastewater Division Test Year Ended December 31, 2013 Original Cost Rate Base Proforma Adjustments Adjustment Number 2

Exhibit Schedule B-2 Page 4 Witness: Bourassa

Accumulated Depreciation

	Adjusted Accum.	<u>Depr.</u>		•	2,783			687,402				2,935			•	31,155	82,831	535,111	•	•		4,413		9,868		. ;	(621)	,	0	•	•	•	•	\$ 1,355,878	\$ 3,782,206
Ш	Intentionally Left	Blank																																. ↔	'
· a	Intentionally Left	Blank																																69	
Adjustments C	Intentionally Left	Blank																																1	
ᅃ	Recondiation to Reconstruction	of A/D Balance	(20 103)	(2,289)	(1,334)	1	1	(1,029,631)		1	1	(4,401)	•		•	(30,856)	(82,831)	113,626			(3,359)	1,740	•	898'6	•	•	(190)	1	0					(1,050,330) \$	
∢	·	<u>Adjustment</u>																(1,376,000)																(1,376,000) \$	
	Per Books Accum.	Depr.	20 103	2,289	4,117			1,717,033				7,336				62,011	165,662	1,797,486			3,359	2,673					139		•					\$ 3,782,208 \$	
		<u>Description</u>	Ciganizatori Franchise	Land	Structures & Improvements	Power Generation	Collection Sewer Forced	Collection Sewers Gravity	Special Collecting Structures	Customer Services	Flow Measuring Devices	Reuse Services	Reuse Meters And Installation	Receiving Wells	Pumping Equipment	Reuse Distribution Reservoirs	Reuse Trans, and Dist. System	Treatment & Disposal Equipment	Plant Sewers	Outfall Sewer Lines	Other Sewer Plant & Equipment	Office Furniture & Equipment	Computers and Software	Transportation Equipment	Stores Equipment	Tools, Shop And Garage Equip	Laboratory Equip	Communication Equip	Other Tangible Plant					Plant Held for Future Use TOTALS	Accumulated Depreciation per Books
	Acct.	일	25.7	353	354	355	360	361	362	363	364	366	367	370	371	374	375	380	381	382	389	390	390.1	391	382	393	394	396	398						Accumi

Increase (decrease) in Accumulated Depreciation

\$ (2,426,328) \$ (2,426,328)

Adjustment to Accumulated Depreciation

SUPPORTING SCHEDULES B-2, pages 4.1 to 4..2 $\frac{|C|}{|C|} = \frac{|C|}{|C|} =$

Red Rock Ultiities, LLC - Wastewater Division Test Year Ended December 31, 2013 Original Cost Rate Base Proforma Adjustments Adjustment Number 2-A

Exhibit Schedule B-2 Page 4.1 Witness: Bourassa

Excess Capacity Adjustment

	FVCc33 Cah	rai Çi Ç	Adjustificiti			
Line						
<u>No.</u>						
1			Computed	Projected		
ż			•	•		F.,
2 3		-	VD Balance	Excess		Excess
3	Acct.	Be	fore Capacity	Capacity		Capacity
4	No. Description		Adjustment	as Percent	- 6	<u>\djustment</u>
5	<u> </u>					
6	380 Treatment & Disposal Equipment	\$	1,911,112	72%	\$	1,376,000
7		•	, ,			
8						
	TATAL					4 270 200
9	TOTAL				\$	1,376,000
10						
11						
12	Increase (decrease) in Plant-in-Service				\$	(1,376,000)
13	morado (acordado) mir acimim darrido				Ť	(1,21,0,000)
	Additional to Classic Design					(4.276.000)
14	Adjustment to Plant-in-Service				_\$_	(1,376,000)
15						
16	SUPPORTING SCHEDULES					
17	B-2 pages 3.1					
18	= = pagav v					
19						
20						

Red Rock Ultilities, LLC - Wastewater Division Test Year Ended December 31, 2013 Original Cost Rate Base Proforma Adjustments Adjustment Number 2-B

Exhibit Schedule B-2 Page 4.2 Witness: Bourassa

Reconciliation of Accumulated Depreciation (A//D) Balance to Reconstructed Balance

			A/D	B-2	Adjusted A/D	A/D Balance Per	Adjustments to
Description	Balance	anog 2	avi	B-2 Adjustments	Balance	Reconstruction	Reconcile
351 Organization	5	5	50	, ,	- 20 103		(20,103)
Land	i ``	i ``	2,289	•	2,289	•	(2,289)
Structures & Improvements			4,117		4,117	2,783	(1,334)
						•	•
Collection Sewer Forced	17	7	1 717 033	1 1	1,717,033	687.402	(1,029,631)
Special Collecting Structures	<u> </u>	}	}	•		. •	•
				1		Ī	•
364 Flow Measuring Devices 366 Reuse Services			7.336		7,336	2,935	(4,401)
Reuse Meters And Installation						•	•
				•	i	•	ì
Pumping Equipment		1		r		. 4	1990 007
Reuse Distribution Reservoirs	Ď Ď	Ö	62,011	ı	62,011 165,682	31,155	(30,856) (82,831)
ŧ	79.	7.9	105,002	(1,376,000)	421,486	535,111	113,626
Plant Sewers			<u> </u>	•	. '	•	
Outfall Sewer Lines				,	, ,	,	, c
Other Sewer Plant & Equipment	n c	m c	3,359		3,339	4 413	(5,559)
390 4 Computers and Software	4	4	2/0		, ,	i '	
				1	•	9,868	9,868
					•	•	
Tools, Sho			130	, ,	139	. (621)	(760)
394 tranoratory Equip 396 Communication Equip			2		2 .	(17)	
398 Other Tangible Plant				,	•		0
TOTALS \$ 3,782,208		3,782	208 \$	\$ (000'926'1)	2,406,208	\$ 1,355,878	\$ (1,050,330)
Increase (decrease) in A/D						•	\$ (1,050,330)
Adiustment to A/D						•	\$ (1,050,330)
-						•	
SUPPORTING SCHEDULES B-2, pages 4 R-2, naces 3 3-3 10							
)							

Red Rock Ultiities, LLC - Wastewater Division

Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment 3

Exhibit Schedule B-2 Page 5 Witness: Bourassa

Contributions-in-Aid of Construction (CIAC) and Accumulated Amortization

Line <u>No.</u> 1 2					
3 4			Gross		cumulated nortization
4			<u>CIAC</u>	AII	
5	Computed balance at end of TY	\$	549,043	\$	26,408
6	`	•	·		
7	Book balance at end of TY	\$	549,043	\$	123,535
8					
9	Increase (decrease)	\$	_	\$	(97,127)
10	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	r		•	***
11					
12	Adjustment to CIAC/AA CIAC	\$	-	_ \$	97,127
13	Label		3a	=	3b
14					

SUPPORTING SCHEDULES

E-1

B-2, page 5.1

Pima Utility Company · Water Division Test Year Ended 12/31/2010 Contributions-in-aid of Construction (CIAC)

	-	100	2006	2007	7	2008	86	2009		2010	_	2011	11
	Balance 12/31/2005	Additions	Balance 12/31/2006	Additions	Balance 12/31/2007	Additions	Balance 12/31/2008	Additions	Balance 12/31/2009	Additions	Balance 12/31/2010	Additions	Balance 12/31/2011
CIAC	,		,		1		,	535,316	535,316	13,727	549,043		549,043
Beginning Amortization Balance Amortization Rate Amortization (1/2 yr convention) Accumulated Amortization	'		2.48%		3.11%		3.72%		3.08% 8,244 8,244		3.34% 18,109 26,353		0.01% 55 26,408
Net CIAC	,				•	1		535,316	527,072	13,727	522,690	,	522,635
		20	2012	2013									
		Additions	Balance 12/31/2012	Additions	Balance 12/31/2013								
CIAC			549,043	•	549,043								
Amortization Rate Amortization (1/2 yr convention) Accumulated Amortization			3.33% 18,283 44,691		3.34% 18,338 63,029								
Net CIAC	•		504 950		196 011								

Red Rock Ultiities, LLC - Wastewater Division Test Year Ended December 31, 2013 Original Cost Rate Base Proforma Adjustments Adjustment 3

Exhibit Schedule B-2 Page 5 Witness: Bourassa

	•		
Line			
No.			
1	Reclassification of AIAC and CIAC		
2	resident of 7th to dita 51/10		
2			
2 3 4	CIAC	\$	_
5	oino -	Ψ	
6	AIAC	\$	_
7	NI/O	*	
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19	SUPPORTING SCHEDULES		
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31			
32			
33			
34			

35

Red Rock Ultiities, LLC - Wastewater Division

SUPPORTING SCHEDULES:

29 30

E-1

Test Year Ended December 31, 2013 Computation of Working Capital Exhibit Schedule B-5 Page 1 Witness: Bourassa

RECAP SCHEDULES:

B-1

Line No. 1 2 3 4 5 6 7	Cash Working Capital (1/8 of Allowance Operation and Maintenance Expense) Pumping Power (1/24 of Pumping Power) Purchased Water (1/24 of Purchased Water) Prepaid Expenses	\$	51,492 4,088 111
8			
9	Total Working Capital Allowance	\$	55,691
10			
11			
12	Working Capital Requested		
13			
14 15			
16			
17		Adiusto	ed Test Year
18	Total Operating Expense	\$	739,624
19	Less:	•	
20	Income Tax	\$	-
21	Property Tax		23,766
22	Depreciation		203,130
23	Purchased Water		2,672
24	Pumping Power	·	98,122
25	Allowable Expenses	\$	411,934
26	1/8 of allowable expenses	\$	51,492
27 28			

Red Rock Ultilities, LLC - Wastewater Division Test Year Ended December 31, 2013

Income Statement

Exhibit Schedule C-1 Page 1 Witness: Bourassa

Line <u>No.</u>		7	est Year Book <u>Results</u>	<u>Ac</u>	ljustment		Test Year Adjusted <u>Results</u>		Proposed Rate Increase	٧	Adjusted with Rate ncrease
1	Revenues									_	
2	Metered Water Revenues	\$	275,731	\$	189,600	\$	465,331	\$	35 6 ,955	\$	822,286
3	Unmetered Water Revenues		12,218		-		12,218				12,218
4	Other Water Revenues				-						-
5		\$	287.949	\$	189,600	\$	477,549	\$	356,955	\$	834,504
6	Operating Expenses										
7	Salaries and Wages	\$	15,223		-	\$	15,223			\$	15,223
8	Employee Pensions and Benefits		930		-		930				930
9	Sludge Removal		7,538		-		7,538				7,538
10	Purchased Water		2,672		-		2,672				2,672
11	Purchased Power		59,605		38,517		98,122				98,122
12	Chemicals		-		-		-				-
13	Repairs and Maintenance		30,231		-		30,231				30,231
14	Office Supplies and Expense		3,283		-		3,283				3,283
15	Contractual Services - Engineering		-				-				-
16	Contractual Services - Accounting		56,000		-		56,000				56,000
17	Contractual Services - Legal		32,485		_		32,485				32,485
18	Contractual Services - Other		220,686				220,686				220,686
19	Contractual Services - Water Testing		13,797		_		13,797				13,797
20	Rents - Equipment		-		-		-				-
21	Transportation Expenses		-		_		-				-
22	Insurance - Vehicle		-		_		-				-
23	Insurance - General Liability		11,902		_		11,902				11,902
24	Insurance - Worker's Comp		•		-						-
25	Regulatory Commission Expense		_		_		-				_
26	Regulatory Commission Expense - Rate Ca		-		5,000		5,000				5,000
27	Bad Debt Expense		_		-,		-				-
28	Miscellaneous Expense		11,744		_		11,744				11.744
29	Sales Tax Expense				_						_
30	Depreciation Expense		584,152		(381,022)		203,130				203,130
31	Taxes Other Than Income		3,115		(001,022)		3,115		_		3,115
32	Property Taxes		31,199		(7,433)		23,766		5,930		29,696
33	Income Tax		01,100		(1,400)		20,100		4,		_0,000
34	Total Operating Expenses	\$	1.084.562	-\$	(344,938)	\$	739,624	\$	5,930	\$	745,554
35	Operating Income	4	(796,613)	-\$-	534,538	\$	(262,075)		351,024	\$	88,950
36	Other Income (Expense)	Ψ	(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Ψ	004,000	Ψ	(EGE, 670)	•	001,021	*	00,000
37	Interest Income		4,859		_		4,859				4.859
38	Other income		7,000		_		4,655				-,000
39	Interest Expense		_		_						
40	Other Expense		_		-		-				
41	Other Exherise		-		-		-				-
42	Total Other Income (Expense)	\$	4,859	-\$		\$	4,859	\$		\$	4.859
42 43	Net Profit (Loss)	\$	(791,754)	\$	534,538	\$	(257,216)	\$	351,024	\$	93,809
44	Het i font (LUSS)	ф	(101,104)	<u> </u>	JJ-1,JJO	φ	(201,210)	φ	001,024	<u> </u>	50,000
44											

SUPPORTING SCHEDULES:

C-1, page 2 E-2

47 48

45

46

RECAP SCHEDULES:

A-1

Red Rock Ultilides, LLC - Wastewater Division Test Year Ended December 31, 2013 Income Statement

tewater Division becember 31, 2013

Exhibit Schedule C-1 Page 2 Witness: Bourassa

		LABEL>>>>>	Ħ	(V)	coi	41	MOI -	€01 :	7	apl .	o .	,		7
Line No		Test Year Book Results	Deoreciation	Property Taxes	Rate Case Expense	Annualized Revenues Projected Growth		Intentionally Left <u>Blank</u>	Intentionally Left Blank	Left Blank	Left Blank	Adjusted Results	Rate Increase	with Rate
	Revenues Metered Water Revenues Unmetered Water Revenues	\$ 275,731										\$ 465,331 12,218	\$ 356,955	\$ 822,286 12,218
4 ro	Other Water Revenues	\$ 287,949	64		1	\$ 189,600	65			57	, ,	\$ 477,549	\$ 356,955	\$ 834,504
	Operating Expenses	16 223										\$ 15,223	•	\$ 15.23
~ 60	Searces and Wages Employee Pensions and Benefits											930		930
φ ;	Sludge Removal	7,538										2,672		2.6
2 E	Purchased Yvater	59,605				38,517						98,122		98,13
12	Chemicals	, ;										30.231		30.23
5 5	Repairs and Maintenance	30,231										3,283		3,283
4 A	Calce Supplies and Expense Contractual Services - Engineering	,												• 1
9	Contractual Services - Management	96,000										56,000		56,01
17	Contractual Services - Legal	32,485										32,485 720,686		220,686
	Contractual Services - Other	13 797										13,797		13,78
2 2	Control del vices - years i destrigi	2												•
2 2	Transportation Expenses											•		•
23	Insurance - Vehicle	•										11 003		110
ន	Insurance - General Liability	11,902										300.1		<u> </u>
7 7	Insurance - Worker's Comp													1
3 %	Regulatory Commission Expense Recutatory Commission Expense - Rate Case				5,000							5,000		8,000
27	Bad Debt Expense	•												
28	Miscellaneous Expense	11,744										44,11		44.
88	Sales Tax Expense	- 584 153	(381 000)									203,130		203,130
9 5	Depletation Expense Taxes Other Than Income	3.115										3,115		, 3, 1
32	Property Taxes	31,198		(7,433)								23,766	5,930	29,696
	Income Tax	- 1		- 1	ŀ		6	·		4		739.624	5 930	\$ 745.5
	Total Operating Expenses	5 1,084,582 4,708,842	\$ (381,U22)	\$ (7,453)	000'6		e en		S		,	(262 075)	351,024	\$ 88,950
88	Operating income Other income (Expense)		Ð			,		,						
	Interest Income	4,859										4,859		4,859
88	Other income	•										•		, ,
සි	Interest Expense	•												• •
\$ 1	Other Expense	1												
	Total Other Income (Expense)	\$ 4,859	8	·	ь	s	1	\$		٠.	9	829		\$ 4,859
4 4	Net Profit (Loss)	\$ (791,754)	381,022	\$ 7,433	\$ (5,000)	\$ 151 083	3 8	\$	•	1	,	(257,216)	\$ 351,024	93,8
												•		á
5 6	SUPPORTING SCHEDULES:											-	C1 page 1	- TEO
\$;	ט לי												ı	
¥	7-5													

Red Rock Ultiities, LLC - Wastewater Division Test Year Ended December 31, 2013 Adjustments to Revenues and Expenses

Exhibit Schedule C-2 Page 1 Witness: Bourassa

Line			<u>Adjustme</u>	nts to Revenues ar	nd Expenses			
<u>No.</u>		<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	
1 2			Property	Rate	Annualized Revenues	Reverse Revenue	Intentionally Left	
3		Depreciation	Taxes	Case Expense	Projected Growth	Accrual	Blank	Subtotal
4	Revenues	Debrecignon	TANGS	Case Exhelise	189,600	Accidat	Digitik	189,600
5	NOYCHUGS				105,000	_		103,000
6	Expenses	(381,022)	(7,433)	5,000		_	_	(383,455)
7	LAPONOOO	(001,022)	(7,100)	0,000				1000,1007
8	Operating							
9	Income	381,022	7,433	(5,000)	189,600	_		573,055
10		001,022	.,	(0,000)	100,000			0.0,000
11	Interest							
12	Expense							_
13	Other							
14	Income /							
15	Expense							
16		· · · · · · · · · · · · · · · · · · ·	•					******
17	Net Income	381,022	7,433	(5,000)	189,600	_	_	573,055
18				(0102.57				
19								
			Adjustme	nts to Revenues ar	nd Expenses			
20		7		nts to Revenues ar		11	12	
20 21		, <u>7</u> Intentionally	<u>8</u>	9	<u>10</u>	11 Intentionally	<u>12</u> Intentionally	
20 21 22		Intentionally	<u>8</u> Intentionally	<u>9</u> Intentionally	10 Intentionally	Intentionally	Intentionally	
20 21		Intentionally Left	<u>8</u> Intentionally Left	<u>9</u> Intentionally Left	10 Intentionally Left	Intentionally Left	Intentionally Left	Subtotal
20 21 22 23 24	Revenues	Intentionally	<u>8</u> Intentionally	<u>9</u> Intentionally	10 Intentionally	Intentionally	Intentionally	<u>Subtotal</u> 189.600
20 21 22 23 24 25	Revenues	Intentionally Left	<u>8</u> Intentionally Left	<u>9</u> Intentionally Left	10 Intentionally Left	Intentionally Left	Intentionally Left	<u>Subtotal</u> 189,600
20 21 22 23 24		Intentionally Left	<u>8</u> Intentionally Left	<u>9</u> Intentionally Left	10 Intentionally Left	Intentionally Left	Intentionally Left	189,600
20 21 22 23 24 25 26	Revenues Expenses	Intentionally Left	<u>8</u> Intentionally Left <u>Blank</u>	<u>9</u> Intentionally Left	10 Intentionally Left	Intentionally Left	Intentionally Left	
20 21 22 23 24 25 26 27 28	Expenses	Intentionally Left	<u>8</u> Intentionally Left <u>Blank</u>	<u>9</u> Intentionally Left	10 Intentionally Left	Intentionally Left	Intentionally Left	189,600
20 21 22 23 24 25 26 27		Intentionally Left	<u>8</u> Intentionally Left <u>Blank</u>	<u>9</u> Intentionally Left	10 Intentionally Left	Intentionally Left	Intentionally Left	189,600 (383,455)
20 21 22 23 24 25 26 27 28 29	Expenses Operating	Intentionally Left	<u>8</u> Intentionally Left <u>Blank</u>	<u>9</u> Intentionally Left	10 Intentionally Left	Intentionally Left	Intentionally Left	189,600
20 21 22 23 24 25 26 27 28 29 30	Expenses Operating	Intentionally Left	<u>8</u> Intentionally Left <u>Blank</u>	<u>9</u> Intentionally Left	10 Intentionally Left	Intentionally Left	Intentionally Left	189,600 (383,455)
20 21 22 23 24 25 26 27 28 29 30 31	Expenses Operating Income	Intentionally Left	<u>8</u> Intentionally Left <u>Blank</u>	<u>9</u> Intentionally Left	10 Intentionally Left	Intentionally Left	Intentionally Left	189,600 (383,455)
20 21 22 23 24 25 26 27 28 29 30 31 32	Expenses Operating Income Interest	Intentionally Left	<u>8</u> Intentionally Left <u>Blank</u>	<u>9</u> Intentionally Left	10 Intentionally Left	Intentionally Left	Intentionally Left	189,600 (383,455)
20 21 22 23 24 25 26 27 28 29 30 31 32 33	Expenses Operating Income Interest Expense	Intentionally Left	<u>8</u> Intentionally Left <u>Blank</u>	<u>9</u> Intentionally Left	10 Intentionally Left	Intentionally Left	Intentionally Left	189,600 (383,455)
20 21 22 23 24 25 26 27 28 29 30 31 32 33	Expenses Operating Income Interest Expense Other	Intentionally Left	<u>8</u> Intentionally Left <u>Blank</u>	<u>9</u> Intentionally Left	10 Intentionally Left	Intentionally Left	Intentionally Left	189,600 (383,455)
20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35	Expenses Operating Income Interest Expense Other Income /	Intentionally Left	<u>8</u> Intentionally Left <u>Blank</u>	<u>9</u> Intentionally Left	10 Intentionally Left	Intentionally Left	Intentionally Left	189,600 (383,455)
20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36	Expenses Operating Income Interest Expense Other Income /	Intentionally Left	<u>8</u> Intentionally Left <u>Blank</u>	<u>9</u> Intentionally Left	10 Intentionally Left	Intentionally Left	Intentionally Left	189,600 (383,455)

Red Rock Ultiities, LLC - Wastewater Division Test Year Ended December 31, 2013 Adjustments to Revenues and Expenses Adjustment Number 1

Exhibit Schedule C-2 Page 2 Witness: Bourassa

Depreciation Expense

Line							
<u>No.</u> 1							
2			Adjusted	Fully	<i>3</i>		
3	Acct.		Original	Depr/	Depreciable	Proposed	Depreciation
4	No.	Description	Cost	Non-Depr	Cost	Rates	Expense
5	351	Organization	11,983	(11,983)		0.00%	-
6	352	Franchise	59,751	(59,751)		0.00%	•
7	353	Land	6,538	(6,538)		0.00%	-
8	354	Structures & Improvements	14,298	(0,000)	14,298	3.33%	476
9	355	Power Generation				5.00%	-
10	360	Collection Sewer Forced	_			2.00%	-
11	361	Collection Sewers Gravity	5,978,394		5,978,394	2.00%	119,568
12	362	Special Collecting Structures	0,510,001		-	2.00%	, -
13	363	Customer Services	_		_	2.00%	-
14	364	Flow Measuring Devices	_		-	10.00%	-
15	366	Reuse Services	26,931		26,931	2.00%	539
16	367	Reuse Meters And Installation	20,00			8.33%	-
17	370	Receiving Wells			_	3.33%	-
18	371	Pumping Equipment			_	12.50%	
19	374	Reuse Distribution Reservoirs	280,411		280,411	2.50%	7,010
20	375	Reuse Trans. and Dist. System	625,073		625,073	2.50%	15,627
21	380	Treatment & Disposal Equipment	1,467,234		1,467,234	5.00%	73,362
22	381	Plant Sewers	1,407,204		-, ,	5.00%	-
23	382	Outfall Sewer Lines	_		_	3.33%	_
24	389	Other Sewer Plant & Equipment	_		_	6.67%	-
25	390	Office Furniture & Equipment	10,039		10,039	6.67%	670
26	390.1	Computers and Software	10,033		10,000	20.00%	•
27	391	Transportation Equipment	8,224	(8,224)	-	20.00%	-
28	392	Stores Equipment	0,224	(0,22.1)	_	4.00%	-
29	393	Tools, Shop And Garage Equip	_		_	5.00%	_
30	394	Laboratory Equip	790		790	10.00%	79
31	396	Communication Equip	-		-	10.00%	•
32	398	Other Tangible Plant	_		_	10.00%	
33	380	Outer rangible Flaint				10.00.10	
34							-
35							_
36							_
37			_				_
38		TOTALS	\$ 8,489,666	\$ (86,496)	\$ 8,403,170		\$ 217,330
39		TOTALS	\$ 0,405,000	\$ (00,730)	₩ 0,700,110		*,
39 40					Gross CIAC	Amort. Rate	
					\$ 549,043	2.5863%	\$ (14,200)
41		mortization of Contributions			\$ 349,043	2.300370	\$ 203,130
42	Total De	epreciation Expense					4 200,100
43		IT AM B 12 F 111					584,152
44	Adjuste	d Test Year Depreciation Expense					507,102
45		· (decrees) to Decree dellas Frances					(381,022)
46	Increase	e (decrease) in Depreciation Expense					(301,022)
47	A 10 :						e (204.022)
48	Adjustm	ent to Revenues and/or Expenses					\$ (381,022)
49							
50	SUPPO	RTING SCHEDULE					
51	B-2, pag	ge 3					

Red Rock Ultiities, LLC - Wastewater Division Test Year Ended December 31, 2013 Adjustment to Revenues and Expenses Adjustment Number 3

Exhibit Schedule C-2 Page 4 Witness: Bourassa

Rate Case Expense

Line <u>No.</u>			
1 2			
3	Estimated Rate Case Expense	\$	25,000
4 5	Estimated Amortization Period in Years		5
6			5.000
7 8	Annual Rate Case Expense	\$	5,000
9	Test Year Rate Case Expense	\$	-
10 11	Increase(decrease) Rate Case Expense	\$	5,000
12	moraus (absiliates) i tata daba Experies	··	
13	Adjustment to Revenue and/or Expense	\$	5,000
14 15			
16			
17 18			
19			

20

Red Rock Ultilties, LLC - Wastewater Division

Test Year Ended December 31, 2013
Adjustment to Revenues and Expenses
Adjustment Number 4

Exhibit Schedule C-2 Page 5 Witness: Bourassa

Additional Revenues/Expense from Projected Customer Growth

Line			
<u>No.</u>			
1	Projected Additional Revenues		
2	Projected additional number of customers over next 5 years		400
3	Average 5/8x3/4 inch residential monthly bill during test year (H-2, page 1)	\$	39.50
4	Additional monthly revenues	\$	15,800
5	Number of months		12
6	Additional projected annual revenues		189,600
7			
8	Total additional annual revenues	\$	189,600
9			
10	Increase(decrease) in Metered Revenues	_\$	189,600
11			
12	Adjustment to Revenue and/or Expense	_\$	189,600
13			
14	Projected Additional Purchased Power Expense		
15	Test year purchased power expense	\$	59,605
16	Gallons sold (in 1000's)		24,435
17	Cost per 1,000 gallons	\$	2.4393
18			
19	Projected additional number of customers over next 5 years		400
20	Average gallons treated per month		3.290
21	Additional gallons treated		1,316
22	Cost per 1,000 gallons	\$	2.4393
23	Additional monthly pumping power expense	\$	3,210
24	Number of months		12
25	Additional projected annual pumping power expense	\$	38,517
26			
27	Increase(decrease) in Purchased Power Expense	\$	3 <u>8,517</u>
28			
29	Adjustment to Revenue and/or Expense	_\$	38,517
30			
31			
32	REFERENCE		
33	Testimony		

Red Rock Ultilities, LLC - Wastewater Division Test Year Ended December 31, 2013 Adjustment to Revenues and Expenses Adjustment Number 2

Exhibit Schedule C-2 Page 3 Witness: Bourassa

Property Taxes

30 31

Line			Test Year	4	Company
<u>No.</u>	DESCRIPTION	ś	as adjusted	Re	<u>commended</u>
1	Company Adjusted Test Year Revenues - 2007	\$	477,549	\$	477,549
2	Weight Factor		2		2
3	Subtotal (Line 1 * Line 2)		955,098		955,098
4	Company Recommended Revenue		477,549		834,504
5	Subtotal (Line 4 + Line 5)		1,432,647		1,789,602
6	Number of Years		3		3
. 7	Three Year Average (Line 5 / Line 6)		477,549		596,534
8	Department of Revenue Mutilplier		2		2
9	Revenue Base Value (Line 7 * Line 8)		955,098		1,193,068
10	Plus: 10% of CWIP - 2010		-		-
11	Less: Net Book Value of Licensed Vehicles		1,411		1,411
12	Full Cash Value (Line 9 + Line 10 - Line 11)		953,687		1,191,656
13	Assessment Ratio		18.0%		18.0%
14	Assessment Value (Line 12 * Line 13)		171,664		214,498
15	Composite Property Tax Rate - Obtained from ADOR		13.8445%		13.8445%
16	Test Year Adjusted Property Tax Expense (Line 14 * Line 15)	\$	23,766	\$	29,696
17	Tax on Parcels		-		_
18	Total Property Taxes (Line 16 + Line 17)	\$	23,766		
19	Test Year Property Taxes	\$	31,199		
20	Adjustment to Test Year Property Taxes (Line 18 - Line 19)	\$	(7,433)		
21		_			
22	Property Tax on Company Recommended Revenue (Line 16 + Line 17)			\$	29.696
23	Company Test Year Adjusted Property Tax Expense (Line 18)			\$	23.766
24	Increase in Property Tax Due to Increase in Revenue Requirement			\$	5,930
25				<u> </u>	
26	Increase in Property Tax Due to Increase in Revenue Requirement (Line 2	241		\$	5,930
27	Increase in Revenue Requirement	,		\$	356,955
28	Increase in Property Tax Per Dollar Increase in Revenue (Line 26 / Line 2	71		Ψ	1.66134%
29	moreage in reporty rax i et bonai moreage in revenue (Line 201 Line 2	' /			1.0010470
20					

Red Rock Ultiities, LLC - Wastewater Division

Test Year Ended December 31, 2013
Adjustment to Revenues and Expenses
Adjustment Number 7

Exhibit Schedule C-2 Page 8 Witness: Bourassa

Interest Synchronization

Line <u>No.</u> 1 2							
3			-		000 040		•
4	Fair Value				\$ 936,312		
5	Weighted 0				0.00%	Δ.	
6 7	Interest Exp	pense	!			\$	-
8	Test Year I	ntere	st Expense			\$	<u> - </u>
9			·		,		
10	Increase (d	lecrea	ise) in Interest	Expense			-
11							
12							
13							
14	Adjustment	t to Re	evenue and/or	Expense		\$	-
15					•		
16							
17	Weighted Cos	st of De	ebt Computation				
18						We	eighted
19			<u>Amount</u>	<u>Percent</u>	<u>Cost</u>		Cost
20	Debt	\$	-	0.00%	0.00%		0.00%
21	Equity	\$	4,378,460	100.00%	9.50%		9.50%
22	Total	\$	4,378,460	100.00%			9.50%
23							
24							

Red Rock Ultities, LLC - Wastewater Division Test Year Ended December 31, 2013 Adjustment to Revenues and/or Expenses Adjustment Number 8

Exhibit Schedule C-2 Page 9 Witness: Bourassa

Line						
<u>No.</u>						
1	Income Tax Computation					
2 3			т	est Year	Α,	djusted
				est rear Adjusted		th Rate
4						crease
5 6	Davisania		\$	Results 477,549	\$ \$	834,504
O	Revenue	o Tavas	Þ	715,858	Ψ	715,858
	Operating Expenses Excluding Incom Synchronized Interest	e laxes		7 10,000		7 10,000
	Synchronized interest			<u>-</u>		
7	Income Before Taxes		\$	(238,309)	\$	118,646
8	moome before Taxes		<u> </u>	(200,000)		,
9	Arizona Income Before Taxes		\$	(238,309)	\$	118,646
10	Alizona ilicome belore Taxes		Ψ	(230,303)	Ψ	110,040
11	Less: Effective Arizona Income Tax		\$	_	\$	
12		0.0000% ¹	Ψ			
13	Arizona Taxable Income	J.000076	\$	(238,309)	\$	118,646
14	Anzona Taxable income		Ψ	(230,303)	Ψ	110,040
15	Arizona Income Taxes		\$	_	\$	_
16	Alizona filodine Taxes		Ψ		•	
17	Federal Income Before Taxes		\$	(238,309)	\$	118,646
18	redefal medine before raxes		Ψ	(200,000)	T	,
19	Less Arizona Income Taxes		\$	_	\$	-
20	Loss / IIILosia IIIoonio Taxoo					****
21	Federal Taxable Income		\$	(238,309)	\$	118,646
22						, <u></u>
23						
24						
25	FEDERAL INCOME TAXES:					
26		0.0000% 1	\$	_	\$	-
27			•		,	
28						
29						
30						
31						
32	Federal Income Taxes		\$		\$	
33					·	
34						
35	Total Income Tax		\$	<u> </u>	\$	-
36						
37	Overall Tax Rate			0.00%		0.00%
38						
39	Income Tax		\$	-	\$	-
40	Test Year Income tax Expense			31, <u>199</u>		
41	Adjustment to Income Tax Expense		\$	(31,199)	\$	
42						
43						
44	1 See work papers/testimony					
	• •					

Red Rock Ultilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Computation of Gross Revenue Conversion Factor

Exhibit Schedule C-3 Page 1 Witness: Bourassa

		Percentage
Lino		of Incremental Gross
Line No.	Description	Revenues
1	Combined Federal and State Effective Income Tax Rate	0.000%
2		
3	Property Taxes	1.661%
4		
5		
6	Total Tax Percentage	1.661%
7	G 1' 1000/ To Download	98.339%
8	Operating Income % = 100% - Tax Percentage	90.339%
9 10		
11		
12		
13	1 = Gross Revenue Conversion Factor	
14	Operating Income %	1.0169
15	•	
16		
17		
18		
19 20		
21		
22		
23		
24		
25	SUPPORTING SCHEDULES:	RECAP SCHEDULES:
26	C-3, page 2	A-1
27		
28		
29		
30 31		
32		
33		
34		
35		
36		
37		
38		
39		
40		

Exhibit Schedule C-3 Page 2 Witness: Bourassa

GROSS REVENUE CONVERSION FACTOR

Line <u>No.</u>	<u>Description</u>	(A)	(B)	(C)	(D)	(E)	[F]
	Calculation of Gross Revenue Conversion Factor,						
1	Revenue	100.0000%					
2 3	Uncollecible Factor (Line 11) Revenues (L1 - L2)	0.0000%					
4	Combined Federal and State Income Tax and Property Tax Rate (Line 23)	1.6613%					
5	Subtotal (L3 - L4)	98.3387%					
6	Revenue Conversion Factor (L1 / L5)	1.016894					
	Calculation of Uncollectible Factor:						
7	Unity						
8 9	Combined Federal and State Tax Rate (Line 17) One Minus Combined Income Tax Rate (L7 - L8)	100.0000%					
10	Uncollectible Rate	0.0000%					
11	Uncollectible Factor (L9 * L10)	-	0.0000	<u>%</u>			
	Calculation of Effective Tax Rate:						
	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%					
13 14	Arizona State Income Tax Rate Federal Taxable Income (L12 - L13)	0.0000%					
15	Applicable Federal Income Tax Rate (Line 44)	0.0000%					
16	Effective Federal Income Tax Rate (L14 x L15)	0.0000%					
17	Combined Federal and State Income Tax Rate (L13 +L16)		0.0000	196			
	Calculation of Effective Property Tax Factor						
18	Unity	100.0000% 0.0000%					
19 20	Combined Federal and State Income Tax Rate (L17) One Minus Combined Income Tax Rate (L18-L19)	0.0000% 100.0000%					
21	Property Tax Factor	1.6613%					
22	Effective Property Tax Factor (L20*L21)		1,6513	1.6613%			
23	Combined Federal and State Income Tax and Property Tax Rate (L17+L22)			1.001376			
	Barriera Constitution Income	\$ 88,950					
24 25	Required Operating Income AdjustedTest Year Operating Income (Loss)	\$ (262,075)					
26	Required Increase in Operating Income (L24 - L25)	(5-5)22	\$ 351,02	24			
	January Taylor on Conservated Daylor (Ca) (E) 160)	•					
27 28	Income Taxes on Recommended Revenue (Col. (F), L52) Income Taxes on Test Year Revenue (Col. (C), L52)	3 5					
	Required Increase in Revenue to Provide for Income Taxes (L27 - L28)		`\$ -				
20	Recommended Revenue Requirement	\$ 834,504					
30 31	Uncollectible Rate (Line 10)	0.0000%	•				
32	Uncollectible Expense on Recommended Revenue (L24 * L25)	\$					
33 34	Adjusted Test Year Uncollectible Expense Required Increase in Revenue to Provide for Uncollectible Exp.	<u> </u>	· s				
•	Todalisa indicas in natural at to transa in anomonal and		•				
		\$ 29,696					
36 37	Property Tax on Test Year Revenue Increase in Property Tax Oue to Increase in Revenue (L35-L36)	\$ 23,766	s 5,90	30			
			* 250.01				
38	Total Required Increase in Revenue (L26 + L29 + L37)		\$ 356,9	<u> </u>			
		(A)	(B)	(C)	(D)	(E)	
			Year		Total	Company Recommende	90
	Calculation of Income Tax:	Total Red Rock Ut	1 tiities, LLC - Was	tewater Division	Red R	Rock Ultifities, LLC - Wast	
39	Revenue	\$ 477,549	\$ 477,54	49		34,504 \$ 834,504 15,858 \$ 715,858	
40	Operating Expenses Excluding Income Taxes Synchronized Interest (L47)	\$ 715,858 \$	\$ 715,8	58	\$ 7	- \$ -	°
42	Arizona Taxable Income (L30 - L31 - L32)	\$ (238,309)	\$ (238,3)		\$ 1	18,647 \$ 118,647	
43		0.0000%	0.0000			.0000% 0.00009	% 0.0000% \$ -
44	Arizona Income Tax (L33 x L34) Federal Taxable Income (L33 - L35)	\$ - \$ (238,309)	\$ (238,30		\$ \$ 1	18,647 \$ 118,647	_
46	Effective Tax Rate (see work papers)	0.0000%	0.000			.0000% 0.00000	%
47	Federal Income Tax	\$	- 5		\$ \$. \$	1
48 49		\$ -			1 \$	-	
50		\$	1		\$	· _	1.
51	Total Federal Income Tax	3 -	\$	\$	\$	- 3	\$ -
52	Combined Federal and State Income Tax (L35 + L42)	\$	<u> </u>			1.	
53					0	0.0000%	n/
54 55	WATER Applicable Federal Income Tax Rate (Col. [E], L51 - Col. [B], L51] / [Cot. [E], L45 - Cot. [B], L45)				0.0000	70
53							
	Only delica of latement Complements			N/A			
56	Calculation of Interest Synchronization: Rate Base		\$ 936,3	12 \$ -			
57	Weighted Average Cost of Debt		0.000				*
58	Synchronized Interest (L45 X L46)		\$ -	\$			

Red Rock Ultifities, LLC - Wastewater Division Test Year Ended December 31, 2013 Summary of Cost of Capital

Page 1 Witness: Bourassa Exhibit Schedule D-1

End of Projected Year

Consildated Capital Structure of Water and Sewer Division

Adjusted End of Test Year

0.00% 9.50% 9.50% Weighted Cost Cost Rate 0.00% 9.50% <u>Total</u> 0.00% 100.00% 100.00% Percent of 4,242,799 4,242,799 Amount Dollar Weighted Cost 0.00% 9.50% 9.50% 9.50% Cost <u>Rate</u> 0.00% 0.00% 100.00% 100.00% Percent Total 4,378,460 4,378,460 Amount

Item of Capital Long-Term Debt

Member's Equity

Totals

SUPPORTING SCHEDULES:

. 주 주 근

RECAP SCHEDULES: A-3

Red Rock Ultiities, LLC - Wastewater Division Test Year Ended December 31, 2013 Cost of Long Term Debt

Exhibit

Schedule D-2 Page 1 Witness: Bourassa

	Weighted <u>Cost</u>	0.000%	0.000%	
cted Year	Interest <u>Rate</u>	%000.0 %000.0	1 11	
End of Projected Year	Annual <u>Interest</u>	1 1		
	Amount Outstanding			
	Weighted Cost	0.000% 0.000%	0.000%	
st Year	Interest <u>Rate</u>			
End of Test Year	Annual <u>Interest</u>			
	Amount Outstanding		<u>.</u>	
	Description of Debt		Totals	Supporting Schdules: E-1 E-2
	No e	- N w 4 rv rv r co	5 <u> </u>	15 16 17 18 17 18 19 19 19 19 19 19 19 19 19 19 19 19 19

Red Rock Ultities, LLC - Wastewater Division

Test Year Ended December 31, 2013 Cost of Preferred Stock Exhibit Schedule D-3 Page 1 Witness: Bourassa

Line <u>No.</u> 1 2		End of Projected Year					
3 4 5	Description of Issue	Shares Outstanding	Amount	Dividend Requirement	Shares Outstanding	Amount	Dividend Requirement
5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 38 39 40 39 40 30 30 30 30 30 30 30 30 30 30 30 30 30	SUPPORTING SCHIE-1		ED STOCK	(ISSUED OR	CHEDULES:		

Red Rock Ultiities, LLC - Wastewater Division Test Year Ended December 31, 2013 Cost of Common Equity

Exhibit Schedule D-4 Page 1 Witness: Bourassa

Line		
No.	•	
1		
2	The Company is proposing a cost of common equity of	9.50% .
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17	SUPPORTING SCHEDULES:	RECAP SCHEDULES:
18	E-1	D-1
19	Testimony	
20		

Red Rock Ultilties, LLC - Wastewater Division

Test Year Ended December 31, 2013 Comparative Balance Sheets

Exhibit Schedule E-1 Page 1 Witness: Bourassa

Line			Test Year Ended		Year Ended	Year Ended		
No.		1	2/31/2013	<u>1</u>	2/31/2012		/31/2011	
1	ASSETS	_			40.005.550			
2 3	Plant In Service	\$	12,262,555	\$	12,225,586	\$ 13	2,215,061	
3 4	Non-Utility Plant Construction Work in Progress		-		-		-	
5	Less: Accumulated Depreciation		(3,782,206)		(3,170,601)	ľ	2,560,184)	
6	Net Plant	\$	8,480,349	\$	9,054,985		9,654,877	
7	THE THE PARTY OF T		0,400,349		3,034,303	Ψ.	9,004,011	
8	Debt Reserve Fund	\$	•	\$	_	\$	-	
9								
10		\$	-	\$		\$	-	
11								
12	CURRENT ASSETS			_		_		
13	Cash and Equivalents	\$	7,268	\$	8,636	\$	141,352	
14	Restricted Cash		857,879		857,872		442,487	
15	Accounts Receivable, Net		16,181		12,109		30,957	
16	Inter-Division Receivable		492,077		373,211		143,210	
17	Notes Receivable		-		-		-	
18	Materials and Supplies		•		=		_	
19	Prepayments		-		4 470		-	
20	Other Current Assets		4 070 405	-	1,473		1,473	
21 22	Total Current Assets	\$	1,373,405	\$	1,253,301	\$	759,479	
23	Unamosticad Daht Discount							
23	Unamortized Debt Discount Other Deferred Debits							
25	Deferred Debits	-		•		· ·		
25 26	Deferred Debits			\$		\$		
27	Other Investments & Special Funds	\$		\$		\$	_	
28	Other investments a opecial runos	<u> </u>	<u> </u>	Ψ				
29	TOTAL ASSETS	\$	9,853,754	\$	10,308,286	\$ 1	0,414,356	
30	1011127100210	<u> </u>	0,000,104	-	10,000,200		0,111,000	
31								
32	LIABILITIES AND STOCKHOLDERS' EQUI	TV						
33	TEO AID O TOURIDEDERO E EGO	<u> </u>						
34	Member Equity	\$	2,052,396	\$	2,659,151	\$	2,619,525	
35			2,002,000		<u> </u>			
36	Long-Term Debt	\$		\$	_	\$	-	
37	•	<u> </u>			· · · · · · · · · · · · · · · · · · ·			
38	CURRENT LIABILITIES							
39	Accounts Payable	\$	-	\$	-	\$	-	
40	Current Portion of Long-Term Debt		•		-		-	
41	Payables to Associated Companies		1,685,351		1,475,166		1,565,665	
42	Security Deposits		-		-		-	
43	Customer Meter Deposits, Current		-		-		-	
44	Accrued Taxes		16,428		14,772		12,662	
45	Accrued Interest		-		-		-	
46	Other Current Liabilities		(770)		(113)			
47	Total Current Liabilities	\$	1,701,009	\$	1,489,825	\$	1,578,327	
48	DEFERRED CREDITS					_		
49	Customer Meter Deposits, less current	\$		\$	-	\$	-	
50	Advances in Aid of Construction		5,674,841		5,706,349		5,736,092	
51	Accumulated Deferred Income Taxes		-				-	
52 53	Contributions In Aid of Construction		549,043		549,043		549,043	
53	Accumulated Amortization	_	(123,535)		(96,082)		(68,631)	
54 55	Total Deferred Credits	\$	6,100,349	\$	6,159,310	<u>\$</u>	6,216,504	
55 56	Total Linkilities & Common Facility	e	0.052.754	œ	10 300 200	6 4	0.414.256	
56 57	Total Liabilities & Common Equity	\$	9,853,754	<u>\$</u>	10,308,286	<u>4</u>	0,414,356	
57 50								
58 59								

SUPPORTING SCHEDULES:

59 60

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Red Rock Ultiities, LLC - Wastewater Division

Test Year Ended December 31, 2013 Comparative Income Statements

Exhibit Schedule E-2 Page 1 Witness: Bourassa

		Test			Prior	Prior		
			Year		Year		Year	
Line			Ended		Ended	Ended		
No.		1	2/31/2013	1:	2/31/2012	12	/31/2011	
1	Revenues	_	<u>LFO II LO TO</u>				<u> </u>	
2	Flat Rate Revenue	\$	275,731	\$	255,172	8	249,063	
3	Reclaimed Water Revenues	-	12,218	•	14,977	•	26,569	
4	Other Water Revenues		-,-,-		5,438		, <u>-</u>	
5	Total Revenues	\$	287,949	\$		5	275,632	
6	Operating Expenses	*	231,310	•				
7	Salaries and Wages	\$	15,223	\$	19,229	Б	19,590	
8	Employee Pensions and Benefits	•	930	-	4,980		4,547	
9	Sludge Removal		7,538		7.603		10,787	
10	Purchased Water		2,672		460		9,129	
11	Purchased Power		59,605		57,827		58,137	
12	Chemicals		,		· <u>-</u>		-	
13	Repairs and Maintenance		30,231		71,228		57,544	
14	Office Supplies and Expense		3,283		3,515		3,658	
15	Contractual Services - Engineering		-		· -		-	
16	Contractual Services - Mgmnt Fee		56,000		56,000		46,000	
17	Contractual Services - Legal & Accounting		32,485		47.825		31,345	
18	Contractual Services - Other		220,686		205,767		231,140	
19	Contractual Services - Lab/Testing		13,797		20,596		24,677	
20	Rents		-		· _		-	
21	Transportation Expenses		_		-		_	
22	Insurance - Vehicle		-		-		-	
23	Insurance - General Liability		11,902		13,686		4,793	
24	Insurance - Worker's Comp		· -		-		-	
25	Regulatory Commission Expense		_		-		-	
26	Regulatory Commission Expense - Rate Case		_		-		-	
27	Bad Debt Expense		_		-		-	
28	Miscellaneous Expense		11,744		21,292		32,351	
29	Sales Tax Expense		-		-		-	
30	Depreciation Expense		584,152		582,965		581,828	
31	Taxes Other Than Income		3,115		(4,580)		1,484	
32	Property Taxes		31,199		29,544		25,323	
33	Income Tax		-		-		-	
34	Total Operating Expenses	\$	1,084,562	\$		\$	1,142,333	
35	Operating Income	\$	(796,613)	\$	(862,350)	\$	(866,701)	
36	Other Income (Expense)							
37	Interest Income		4,859		1,976		2,266	
38	Other Income		-		-		•	
39	Interest Expense		-		-			
40	Other Expense		-		-		-	
41	Gain (loss) on Disposal of Equip	_						
42	Total Other Income (Expense)	\$	4,859	\$		\$	2,266	
43	Net Profit (Loss)	\$	(791,754)	\$	(860,374)	\$	(864,435)	
44								
4.0								

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SUPPORTING SCHEDULES:

RECAP SCHEDULES:

A-2

Red Rock Ultiities, LLC - Wastewater Division

Test Year Ended December 31, 2013 Detail of Plant in Service

42

Exhibit Schedule E-5 Page 1

Witness: Bourassa

						⊃lant ditions,		
				Plant		eclass-		Plant
Line	Acct.			Balance at	ica	tions or or	-	Balance at
<u>No.</u> 1	No.	Plant Description		2/31/2012	Retirements		<u>12</u>	/31/2013
2	351	Organization	\$	11,983	\$	-	\$	11,983
3	352	Franchise		59,751		-		59,751
4	353	Land		6,538		-		6,538
5	354	Structures & Improvements		14,298		-		14,298
6	355	Power Generation		-		-		-
7	360	Collection Sewer Forced				-		-
8	361	Collection Sewers Gravity		5,978,394		-	;	5,978,394
9	362	Special Collecting Structures		-		-		-
10	363	Customer Services		-		-		-
11	364	Flow Measuring Devices		-		•		20.024
12	366	Reuse Services		26,931		-		26,931
13	367	Reuse Meters And Installation		-		-		-
14	370	Receiving Wells		_		-		-
15		Pumping Equipment		200 444		-		280,411
16		Reuse Distribution Reservoirs		280,411		-		625,073
17	375	Reuse Trans. and Dist. System		625,073 5,203,155		36,968		5,240,123
18 19		Treatment & Disposal Equipment Plant Sewers		5,205, 155		30,300		5,240,125
20	381.0	Outfall Sewer Lines		-		_		_
20	389	Other Sewer Plant & Equipment		_		_		_
22	390	Office Furniture & Equipment		10,039		_		10,039
23	390.1			10,000		_		-
24	391	Transportation Equipment		8,224		_		8,224
25	392	Stores Equipment		O,22 1		_		_, _
26	393	Tools, Shop And Garage Equip		-		_		_
27	394	Laboratory Equip		790		_		790
28	396	Communication Equip		-		_		-
29	398	Other Tangible Plant		-		-		-
30	555	Sansi rangisis viani						
31								
32								
33								
34								
35								
36		•						
37		TOTAL WATER PLANT	\$	12,225,587	\$	36,968	\$ 1	2,262,555
38								
39	SUPPO	RTING SCHEDULES			REC.	AP SCHE	DULI	<u> </u>
40					A-4			
41					E-1			

Red Rock Ultiities, LLC - Wastewater Division Test Year Ended December 31, 2013 Operating Statistics

Exhibit Schedule E-7 Page 1 Witness: Bouras

Line <u>No.</u> 1 2 3	WASTEWATER STATISTICS:	1	Test Year Ended (2/31/2013	Prior Year Ended <u>12/31/2012</u>	Prior Year Ended 12/31/2011
4 5 6 7	Total Gallons Treated (in Thousands)		24,435	22,983	22,176
8 9 10 11 12 13	Wastewater Revenues from Customers:	\$	275,731	\$ 255,172	\$ 249,063
14 15 16	Year End Number of Customers		619	583	525
17 18 19 20 21	Annual Gallons (in Thousands) Treated Per Year End Customer		39	39	42
22 23	Annual Revenue per Year End Customer	\$	445.45	\$ 437.69	\$ 474.41
24 25	Pumping Cost Per 1,000 Gallons Purchased Water Cost per 1,000 Gallons	\$ \$	2.4393 -	\$ 2.5161 \$ -	\$ 2.6216 \$ -

Red Rock Ultiities, LLC - Wastewater Division

Test Year Ended December 31, 2013
Taxes Charged to Operations

Exhibit Schedule E-8 Page 1 Witness: Bourassa

			Test		Prior		Prior
			Year		Year		Year
Line			Ended	Į	Ended	Į	Ended
<u>No.</u>		<u>12</u>	/31/2013	<u>12/</u>	/31/2012	<u>12/</u>	<u>/31/2011</u>
1	Description						
2							
3	State Income Taxes	\$	-	\$	-	\$	-
4	Federal Income Taxes		-		-		-
5	Payroll Taxes		3,115		(4,580)		1,484
6	Property Taxes		31,199		29,544		25,323
7							
8	Totals	\$	34,314	\$	24,964	\$	26,807
9							
10							

Red Rock Ultiities, LLC - Wastewater Division Test Year Ended December 31, 2013 Notes To Financial Statements

Exhibit Schedule E-9 Page 1 Witness: Bourassa

Line No.

The Company does not conduct independent audits, reviews and/or compilations. Accordingly, there are no notes which are typically associated with these financial statements. Management makes the following notations to the financial statements contained herein:

Significant Accounting Policies - The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America and the accounting records of the are are maintained in accordance with the uniform system of accounts as prescribed by the National Association of Regulatory Utility Commissioners (USOA 1996). Significant accounting policies are as follows:

Utility Plant - Property, plant and equipment is stated at cost less accumulated depreciation provided on a straight-line basis.

Depreciation rates for asset classes of utility property, plant and equipment are established by the Commission. The cost of additions, including betterments and replacements of units of utility fixed assets are charged to utility property, plant and equipment. When units of utility property are replaced, renewed or retired, their cost plus removal or disposal costs, less salvage proceeds, is charged to accumulated depreciation.

Revenue Recognition - Revenues are recognized on the accrual method. Under this method, revenue is recognized when earned rather than when collected, and expenses are recognized when incurred rather than when paid.

Contributions in Aid of Construction - Contributions in aid of construction (CIAC) are nonrefundable contributions by developers and customers for plant expansion. In addition, this amount includes the remaining balance, if any, of advances in aid of construction at the end of the repayment period. The contributions in aid of construction are being amortized at a rate equal to the rate allowed for depreciation, as a reduction of depreciation expense

Advances in Aid of Construction - Customer advances for construction are subject to refund in accordance with agreements approved by the Arizona Corporation Commission. Agreements provide for refunds which are typically equal to 10 percent of annual water revenue generated from the expansion. The repayments are for a maximum agreed upon period or until repaid in full. Any balance remaining at the end of the agreed-upon period for repayment becomes a contribution in aid of construction.

Red Rock Ultiities, LLC - Wastewater Division

Test Year Ended December 31, 2013
Projected Income Statements - Present & Proposed Rates

Exhibit Schedule F-1

Page 1 Witness: Bourassa

Line <u>No.</u>			Test Year Actual <u>Results</u>		At Present Rates Year Ended 12/31/2014		Proposed Rates Year Ended <u>1/31/2014</u>
1	Revenues	Φ.	07E 7 04	ው	ACE 221	•	822,286
2	Metered Water Revenues	\$	275,731	\$	465,331	\$	12,218
3	Unmetered Water Revenues		12,218		12,218		12,210
4	Other Water Revenues	•	207.040	ď	477,549	\$	834,504
5	Ou anation Francisco	\$	287,949	\$	477,049	Φ	034,304
6	Operating Expenses	æ	15,223	\$	15,223	\$	15,223
7	Salaries and Wages	\$		Ф	930	Ψ	930
8	Employee Pensions and Benefits		930		7,538		7,538
9	Sludge Removal		7,538				2,672
10	Purchased Water		2,672		2,672 98,122		98,122
11	Purchased Power		59,605				90,122
12	Chemicals		20.224		30,231		30,231
13	Repairs and Maintenance		30,231				3,283
14	Office Supplies and Expense		3,283		3,283		J,20J -
15	Contractual Services - Engineering		- EC 000		56,000		56,000
16	Contractual Services - Management		56,000		32,485		32,485
17	Contractual Services - Legal		32,485				
18	Contractual Services - Other		220,686		220,686		220,686
19	Contr. Services - Water Testing		13,797		13,797		13,797
20	Rents - Equipment		-		-		-
21	Transportation Expenses		-		-		-
22	Insurance - Vehicle		44.003		11,902		11,902
23	Insurance - General Liability		11,902		11,902		11,502
24	Insurance - Worker's Comp		-		-		-
25	Regulatory Commission Expense		-		- - 000		5,000
26	Regulatory Commission Expense - Rate Case		-		5,000		5,000
27	Bad Debt Expense		44 744		- 11 711		- 11,744
28	Miscellaneous Expense		11,744		11,744		11,744
29	Sales Tax Expense		504.450		202 420		203,130
30	Depreciation Expense		584,152		203,130		3,115
31	Taxes Other Than Income		3,115		3,115		29,696
32	Property Taxes		31,199		23,766		29,090
33	Income Tax		-		-		_
34	Total Occuption Frances		1,084,562	\$	739,624	\$	745,554
35	Total Operating Expenses	\$	(796,613)		(262,075)		88,950
36 37	Operating Income	Φ	(790,013)	Φ	(202,013)	Ψ	00,000
	Other Income (Expense) Interest Income		4,859		4,859		4,859
38	Other income		4,059		4,000		-,555
39	• • • • • • • • • • • • • • • • • • • •		-		_		_
40 41	Interest Expense		-		<u>-</u>		_
41 42	Other Expense		<u>-</u>		_		_ _
42 42	Gain/Loss Sale of Fixed Assets Total Other Income (Expense)	\$	4,859	\$	4,859	\$	4,859
43 44	Net Profit (Loss)	- \$	(791,754)				93,809
	NGL FIONE (LOSS)	Φ	(131,134)	φ	(201,210)	Ψ	55,000
45							

SUPPORTING SCHEDULES:

48 C

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Red Rock Ultiities, LLC - Wastewater Division

Test Year Ended December 31, 2013
Projected Statements of Changes in Financial Position
Present and Proposed Rates

Exhibit Schedule F-2 Page 1 Witness: Bourassa

<u>7,</u>268

59,569

7,268

(291,456) \$

8,636

7,268

\$

Line At Proposed At Present No. Rates Rates 1 Year Year 2 Test Year Ended 3 Ended Ended 12/31/2014 12/31/2013 12/31/2014 4 5 Cash Flows from Operating Activities 93,809 (791,754) \$ (257,216) \$ 6 Net Income 7 Adjustments to reconcile net income to net cash 8 provided by operating activities: 584,152 9 Depreciation and Amortization 10 Depreciation Adjustments 11 Changes in Certain Assets and Liabilities: $\{4.072\}$ Accounts Receivable 12 Unbilled Revenues (7)13 Materials and Supplies Inventory 14 15 Prepaid Expenses Deferred Charges 16 (118,866)17 Notes Receivable Accounts Payable 1,656 18 210,185 19 Intercompany payable 20 **Customer Meter Deposits** 21 Taxes Payable 816 22 Other assets and liabilities (257,216) \$ 93,809 (117,890) 23 Net Cash Flow provided by Operating Activities \$ \$ Cash Flow From Investing Activities: 24 (36,969)(10,000)(10,000)25 Capital Expenditures Plant Held for Future Use 26 27 Changes in debt reserve fund (10,000)\$ (10,000)28 Net Cash Flows from Investing Activities (36,969)29 Cash Flow From Financing Activities 30 Change in Restricted Cash 31 Change in net amounts due to parent and affiliates 32 Net Receipt contributions in aid of construction (31,508)(31,508)(31,508)33 Net receipts of advances in aid of construction Repayments of Long-Term Debt 34 35 Dividends Paid **Deferred Financing Costs** 36 184.999 37 Paid in Capital (31,508)153,491 \$ (31,508) \$ Net Cash Flows Provided by Financing Activities 38 52,301 Increase(decrease) in Cash and Cash Equivalents (1,368)(298,724)39

43 44 45

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41

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SUPPORTING SCHEDULES:

Cash and Cash Equivalents at Beginning of Year

Cash and Cash Equivalents at End of Year

46 E

Red Rock Ultiities, LLC - Wastewater Division Test Year Ended December 31, 2013 Projected Construction Requirements

Exhibit Schedule F-3 Page 1

Witness: Bourassa

Line No. 1						
2	Account					
3	Number	Plant Asset:		Test Year	2	<u> 2014</u>
4	351	Organization	\$	-		
5	352	Franchise		-		
6	353	Land		-		
7	354	Structures & Improvements		-		
8	355	Power Generation		-		
9	360	Collection Sewer Forced		-		
10	361	Collection Sewers Gravity		-		
11	362	Special Collecting Structures		-		
12	363	Customer Services		-		
13	364	Flow Measuring Devices		-		
14	366	Reuse Services		-		
15	367	Reuse Meters And Installation		-		
16	370	Receiving Wells		-		10.000
17	371	Pumping Equipment		-		10,000
18	374	Reuse Distribution Reservoirs		-		
19	375	Reuse Trans. and Dist. System		-		
20	380	Treatment & Disposal Equipment		36, 9 68		
21	381	Plant Sewers		-		
22	382	Outfall Sewer Lines		-		
23	389	Other Sewer Plant & Equipment		-		
24	390	Office Furniture & Equipment		-		
25	390.1	Computers and Software		-		
26	391	Transportation Equipment		-		
27	392	Stores Equipment		-		
28	393	Tools, Shop And Garage Equip		-		
29	394	Laboratory Equip		-		
30	396	Communication Equip		-		
31	398	Other Tangible Plant		-		
32						
33						
34						
35						
36			-		_	40.000
37	Total			36,968	\$	10,000
38						
39						
40						

Red Rock Ultiities, LLC - Wastewater Division Test Year Ended December 31, 2013 Assumptions Used in Rate Filing

Exhibit Schedule F-4 Page 1 Witness: Bourassa

Line	
<u>No.</u>	
1	Property Taxes were computed using the method used by the Arizona Department
2	of Revenue modified for ratemaking.
3	
4	Projected construction expenditures are shown on Schedule A-4.
5	
6	Expense adjustments are shown on Schedule C2, and are explained in the testimony.
7	
8	
9	
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Red Rock Utilities, LLC - Wastewater Division Test Year Ended December 31, 2013 Revenue Summary

Exhibit Schedule H-1 Page 1 Witness: Bourassa

									Percent of Present	Percent of Proposed
Line No.		- ~	Present Revenues	مت مت	Proposed Revenues	Dollar Change		Percent Change	Water Revenues	Water Revenues
<u>.</u> − (5/8x3/4 Inch Re	(₩	267,336	: ↔	83	\$ 20	47	76.70%	25.98%	56.61%
νω ,	5/8x3/4 Inch Commercial		948		1,675		727	76.70%	0.20%	0.20%
4 rc	Z Inch Commercial		7,584		104.5		i o	0.70%	0/.60°.	P - 0:
9 6	Effluent		12,224		12,224			0.00%	2.56%	1.46%
- 100	Total Revenues Before Annualization	∨	288,092	es.	499,683	\$ 21	211,591	73.45%	60.33%	59.88%
» C =	Revenue Annualization: Revenues from Projected Growth		189,600		335,023	4	145,423	76.70%	39.70%	40.15%
<u>⇔</u> €										
<u>4</u> ~										
9	Total Revenue Annualization	₩	189,600	↔	335,023	\$ 14	145,423	76.70%		
<u>~</u>	Subtotal Metered Revenues	₩	288,092	↔	499,683	\$ 21	211,591	73.45%	60.33%	59.88%
8			189,600		335,023	145,4	45,423.20	76.70%	39.70%	40.15%
ō	Total Metered Revenues	↔	477,692	↔	834,706	\$ 35	357,014	74.74%		
20	6	•		ė				,800 o	7000	7800
7		99	1 3	A	- 0		, (0.00%	0.00%	0.00%
22	Reconciling Amount to GL	4	(143)	e	(202)	35	356 055	74 75%	0.03%	%20.0- 0 00%
3 4		→	5,	→			200			
25										
8	Revenue Reconciliation									
27										
28	Revenue per bill count before revenue annualization	annual	ization	↔	288,092					

7			
28	Revenue per bill count before revenue annualization	↔	288,092
59	Revenue per GL (sewer revenues)	↔	287,949
စ္တ	Accruals		
ઝ	Adjusted Revenue per GL (sewer revenues)		287,949
32		ક્ર	143
33	Difference %		0.05%
发	•		0.50%
35	Tolerance Amount + or -	↔	1,440
98			
37	Acceptable?	•	YES
38			
39			
4			
4			

Red Rock Utilities, LLC - Wastewater Division Test Year Ended December 31, 2013 Customer Summary

Exhibit Schedule H-2 Page 1 Witness: Bourassa

Proposed Increase	Dollar Percent Amount Amount	30.30 76.70%	30.30 76.70%		1	%00.0 -				ي
Bill	P 증립	98.80	69.80	558.37		194.03				d during the yea
Average Bill	Present Rates	39.50 \$	39.50	316.00		194.03				bills were issued
	Average Consumption	,	•							that less than 12
(a) Average Number of Customers	at 12/31/2013	564	2	2		ß			573	s than one (1), indicates
	Meter Size, Class	Residential	Commercial	Commercial		Effluent			Total	umber of customers of less than one (1), indicates that less than 12 bills were issued during the year.
		5/8x3/4 Inch	5/8x3/4 Inch	2 Inch						(a) Average nu
	Line No.	- c	1 m	4	S	9	7	œ	6	2 =

Red Rock Utilities, LLC - Wastewater Division Test Year Ended December 31, 2013 Customer Summary

Exhibit Schedule H-2 Page 2 Witness: Bourassa

re as se	Percent Amount 76.70%	76.70%	76.70%	%00.0		
Proposed Increase	Dolfar Amount 30.30	30.30	242.37	•	<u>.</u>	
iii	Proposed <u>Rates</u> 69.80	69.80	558.37	140.28	during the yes	
Median Bill	Present	39.50	316.00	140.28	iils were issued	
	Median Consumption	ı	,		nat less than 12 b	
(a) Average Number of Customers	at 12/31/2 <u>013</u> 564	2	7	ß	573 an one (1), indicates th	
	<u>Meter Size, Class</u> Residential	Commercial	Commercial	Effluent	Total 573 number of customers of less than one (1), indicates that less than 12 bills were issued during the year.	
	5/8 Inch	1.5 Inch	2 Inch		(a) Average	
	Line No. ⊢	2 6	4	10 O D	−ဆတ္≘	Ť

Red Rock Utilities, LLC - Wastewater Division Test Year Ended December 31, 2013 Present and Proposed Rates

Exhibit Schedule H-3 Page 1 Witness: Bourassa

e 	No. Mon								8 6 Inch	10	Ξ:			<u>. </u>	5 6	7 2	<u> </u>	19	20	21	22	5 23	25 25	26	27 28	29 62	83	32	33	35		
	Monthly Minimum Charge for: Mater Size (All Classes)	5/8x3/4 Inch		- 	1.1/2 Inch		; , ,					Cffilent Solae (nor ocre foot)																			} !	NT = No laritt
		ь										69	,																			
Present	Rates	39.50	59.25	98.75	197.50	316.00	592.50	987.50	1,975.00			300.00																				
Proposed	Rates	₩					<u> </u>	` —	ີຕັ			€9																				
sed	ωį	\$ 08.69	104.69	174.49	348.98	558.37	116,74	1,744.91	3,489.83			300.00																				
	Change	30.30	45.44	75.74	151.48	242.37	524.24	757.41	1,514.83			ı																				
Percent	Change	76.70%	76.70%	76.70%	76.70%	76.70%	88.48%	76.70%	76.70%			0.00%																				

Red Rock Utilities, LLC - Wastewater Division

Changes in Representative Rate Schedules Test Year Ended December 31, 2013 Exhibit Schedule H-3 Page 2

Witness: Bourassa

Line			Present		Proposed
<u>No.</u>	Other Service Charges		<u>Rates</u>		Rates
1	Establishment (collected only if customer sewer only)	\$	15.00	\$	15.00
2	Re-establishment (winthin 12 months)		**		**
3	Reconnection (Delinquent)	\$	30.00	\$	30.00
4	Minimum Deposit		*		*
5	NSF Check	\$	25.00	\$	25.00
6	Late Payment Penalty (per month)		1.50%		1.50%
7	Deferred Payment Finance Charge		1.50%	_	1.50%
8	Service Calls - Per Hour/After Hours(a)	\$	50.00	\$	50.00
9	•				
10					
11					
12					
13	* Per Commission Rule A.A.C. R-14-2-603(B)	66.11		- 41	
14	** Per Commission Rule A.A.C. R14-2-603(D) - Months	s off the	system time	s tne	e montniy minimum.
15					
16					
17	IN ABBITION TO THE COLLECTION OF DECLISAD B	ATEC	************	Z 1 A JII	LL COLLECT EDOM
18	IN ADDITION TO THE COLLECTION OF REGULAR R				
19	ITS CUSTOMERS A PROPORTIONATE SHARE OF A	AINT PE	KIVILEGE, SA	- LE	5, USE, AND FRANCINGE
20	TAX. PER COMMISSION RULE 14-2-608D(5).				
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23					
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50					

Red Rock Utilities, LLC - Wastewater Division Bill Comparison Present and Proposed Rates 5/8 Inch Residential

Meter Size:

Witness: Bourassa T ~ Schedule Exhibit Page

Monthly Minimum: Proposed Rates: Monthly Minimum: Present Rates: 76.70% Increase Percent 30.30 ncrease Dollar မာ 69.80 Proposed <u>Bill</u> 39.50 Present

39.50

69.80

↔

76.70% 76.70% 30.30 30.30 ₩ ₩ 69.80 69.80 H ()) 39.50 39.50 Average Usage Median Usage

Red Rock Utilities, LLC - Wastewater Division Bill Comparison Present and Proposed Rates 5/8x3/4 Inch Commercial

Meter Size:

Witness: Bourassa 1 7 4 Schedule Exhibit Page

Present Rates:

76.70%

30.30 ncrease Dollar

\$ 08.69

(/)

39.50

₩

Usage

Proposed

Present

<u>Increase</u> Percent

39.50

₩

Monthly Minimum:

69.80

↔

Proposed Rates: Monthly Minimum:

76.70% 76.70% 30.30 30.30 ₩ 69 69.80 69.80 69 ↔ 39.50 39.50 ↔ Average Usage Median Usage

Red Rock Utilities, LLC - Wastewater Division

Bill Comparison Present and Proposed Rates 2 Inch Commercial

Meter Size:

Witness: Bourassa Η ₄ Schedule Exhibit Page

> Present Rates: Increase 76.70%

Percent

Dollar

Increase 242.37

Proposed Bill 558.37

မှ

Bill 316.00

↔

Usage

Present

Monthly Minimum:

316.00 ÷

Proposed Rates: Monthly Minimum:

558.37 G

Average Usage

242.37 ↔ 558.37 ₩ 316.00

76.70%

76.70%

242.37

₩

(/) 558.37

₩

316.00

ø

Median Usage

Red Rock Utilities, LLC - Wastewater Division Bill Comparison Present and Proposed Rates Effluent Meter Size:

Exhibit Schedule H-4 Page 4 Witness: Bourassa

				,		0.92								1		0.92														
			↔			↔							69			69														
		Present Rates:	Monthly Minimum:	Gallons in Minimum	Charge Per 1,000 Gallons	All gailons						Proposed Rates:	Monthly Minimum:	Gallons in Minimum	Charge Per 1,000 Gallons	All gallons														
Percent Increase	#DIV/0i	0.00%	0.00%	0.00%	%00'0	%00.0	%00'0	0.00%	%00 ^{.0}	0.00%	%00.0	%00.0	%00'0	0.00%	%00.0	0.00%	0.00%	0.00%	%00:0	%00'0	0.00%	%00.0	%00:0	%00.0	%00'0	%00'0	0.00%		%00:0	%00.0
Dollar Increase	, \$	•	,	•	•	•	•	•	•	•	•	•	•	•	•	•	•	,	1	•	•	•	•	•	•	,	•		- چ	· \$
Proposed Bill		0.92	1.84	2.76	3.68	4.60	5.52	6.44	7.37	8.29	9.21	11.05	12.89	14.73	16.57	18.41	23.02	27.62	32.22	36.83	41.43	46.03	55.24	64.45	73.65	82.86	92.07		194.03	140.77
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Present Bill	•	0.92	1.84	2.76	3.68	4.60	5.52	6.44	7.37	8.29	9.21	11.05	12.89	14.73	16.57	18.41	23.0	27.62	32.22	36.83	41.43	46.03	55.24	64.45	73.65	82.86	92.07		194.03	140.77
	63																			_	_	_	_	_				<u>o</u>	₩,	₩
Usage	•	1,000	2,000	3,000	4,000	5,000	9.000	2,000	8,000	000'6	10,000	12,000	14,000	16,000	18,000	20,000	25,000	30,000	35,000	40,000	45,000	50,000	000'09	70,000	80,000	90,000	100,000	Average Usage	210,751	Mediali Usage 152,900

Red Rock Utilities, LLC - Wastewater Division Test Year Ended December 31, 2013 5/8 Inch Residential

Exhibit Schedule H-5 Page 1 Witness: Bourassa

Meter Size:

1				(in 1,000's)		•	•	ı	1	1	•	•	•	1	•	•	•	1	•	•			
		Cumul	ative	Billing	6,768	6,768	6,768	6,768	6,768	6,768	6,768	6,768	6,768	6,768	6,768	6,768	6,768	6,768	6,768	6,768	6,768	6,768	6,768
			Total	Year	6,768	•	t	ı	ı	ı	1	ı	1	1	1	1	1	1	ı	1	ı	ı	ı
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	:	Month	ģ	Sep-13	572																		
	:	Month	οť	Aug-13	561																		
	:	Month	₫	Jul-13	565																		
	:	Month	ō	Jun-13	546																		
		Month	οĘ	May-13	552																		
		Month	ō	Apr-13	551																		
		Month	ō	Mar-13	228																		
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		Month	ō	Jan-13	553	•																	

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Totals

Red Rock Utilities, LLC - Wastewater Division Test Year Ended December 31, 2013 5/8x3/4 Inch Commercial

Meter Size:

Exhibit Schedule H-5 Page 2 Witness: Bourassa

	Cumul-			(in 1,000's)		1	ı	•	,	1	•	1	•	•	1	1	1	ŧ	1	,
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Test Year Ended December 31, 2013 2 Inch Commercial

Exhibit Schedule H-5 Page 3 Witness: Bourassa

Meter Size:

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